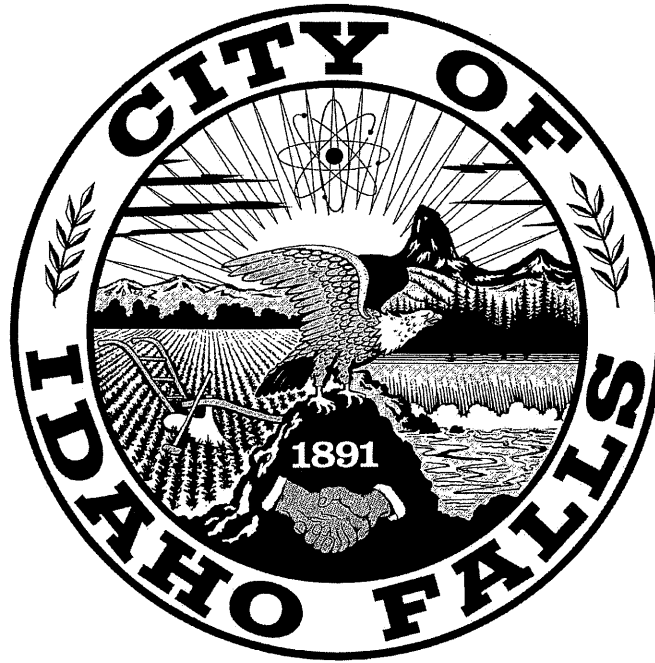


CITY OF IDAHO FALLS, IDAHO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2015

CITY OF IDAHO FALLS, IDAHO
Comprehensive Annual Financial Report
For the fiscal year ended September 30, 2015

Prepared By:
Municipal Services Division
Finance Department
Mark Hagedorn, CPA
Controller

City of Idaho Falls, Idaho
Comprehensive Annual Financial Report
For the Year Ended September 30, 2015

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INTRODUCTORY SECTION



City of Idaho Falls

CONTROLLER'S OFFICE

P.O. Box 50220
Idaho Falls, ID 83405-0220

March 9, 2015

To the Honorable Mayor, Members of the City Council
And Citizens of Idaho Falls

The Comprehensive Annual Financial Report (CAFR) of the City of Idaho Falls (City) for the fiscal year ended September 30, 2015 is hereby submitted. Responsibility for the accuracy of the data, and the completeness and fairness of the presentations, including all disclosures, rests with the City and is based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The administration believes the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

Rudd & Company PLLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with Generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are contained in the single audit section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Idaho Falls was incorporated in 1889 under the laws of the State of Idaho. The City operates under a Mayor-Council form of government and provides the following services: general administrative services, planning and building, public safety (police, fire, ambulance and animal control), parks and recreation, streets, library, public works, airport, water and sewer, sanitation and electric utility.

The accompanying CAFR includes the financial activities of the City, the primary government, and its component unit, The Idaho Falls Redevelopment Agency.

The City of Idaho Falls is located in the southeastern corner of the state. The City currently occupies a land area of approximately 22 square miles with an estimated population of 58,292. The City has the authority to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its boundaries by annexation, which occurs as deemed appropriate by the Council.

Policy-making and legislative authority are vested in a governing council (Council) consisting of the Mayor and six council members. The Council is responsible, among other things, for passing ordinances, adopting the budget, confirming committee members and working with various department heads as assigned by the Mayor. The Mayor is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the City; and appointing the heads of the various departments. The Council is elected on a non-partisan basis.

Council members serve four-year staggered terms, with three council members elected every two years. The Mayor is elected to serve a four-year term. The Mayor and council members are elected at large.

An operating, equipment, and capital budget, including proposed expenditures and the means of financing them is proposed by the Mayor to the council members for approval. Budgets are integrated into the accounting system to facilitate management control during the year. Budgetary control is enhanced for governmental funds through the use of an encumbrance system. As purchase orders are issued, corresponding appropriations are reserved by the use of encumbrances for later payment so that appropriations may not be overspent.

Local economy

The Idaho Falls economy can be characterized as a regional center for retail, wholesale, medical, educational and governmental services. Underlying the City economy is a very strong base of agriculture production and processing in barley, potatoes, wheat and cattle. Offsetting the agriculture base is the scientific and hi-tech research and supporting businesses for the Idaho National Labs. This scientific sector means a highly educated work force and high incomes in the local economy. This diversified and regional market economy provides economic stability in jobs, incomes and tax base.

The regional market area extends from the City of Blackfoot to the south of Idaho Falls into Montana and Wyoming on the north and east and on into central Idaho. The regional medical center hospital, medical specialties and services are concentrated in Idaho Falls.

Idaho Falls is the regional market center on the western side of Yellowstone Park and Jackson Hole. To the west is the Craters of the Moon. The outdoor activities of fly fishing, hunting, skiing, snowmobiling, hiking and sightseeing support many businesses and manufacturers. The tourism and entertainment business within the City is growing and supporting more and more jobs and businesses. The state's largest museum is in Idaho Falls which anchors a growing cultural tourism sector.

The state and federal offices in Idaho Falls also serve the Idaho portion of this area. The City is also the County seat. The three state universities have a large classroom and research presence in the City and are associated with the National Labs. A two year college provides technical training. There are two school districts and several private school systems.

Because of its location in a region with a varied economic base, unemployment has been relatively stable. Currently the City is experiencing slow but steady economic growth. Within the past ten years, the unemployment rate has reached a high of 7.0 percent in the year (2011) to a low of 2.4 percent in the year (2007). The unemployment rate at the end of fiscal year 2015 was 3.4 percent which reflects

a recovery of the job market in this Idaho Falls metropolitan area. Idaho Falls continues to experience some of the lowest unemployment rates in the nation. The economy is expected to continue to diversify and grow in the manufacturing and technology industries.

Long-term financial planning

Unassigned fund balance in the general fund (32.99 percent of total general fund O&M expenses) is above the policy guidelines set by the Council for budgetary and planning purposes of at least 3 months (25 percent) of O&M expenses in reserve. The City is in a stable financial condition.

The Council also maintains and reviews a five year capital plan that outlines major purchases and projects. Some of the major projects being planned and reviewed are the reconstruction of an intersection at Hitt Road and 17th Street, a splash park, and a replacement downtown fire station, software acquisition, Heritage Park Project, Signage and wayfinding, and The City is continuing to improve the park area centered on the greenbelt for the benefit of the residents and visitors of this area.

Relevant financial policies

It is the City's policy that "onetime" resource inflows not be used for operating purposes. Accordingly all grants received are designated and spent for the purposes that they were applied for.

Major initiatives

A few of the important initiatives facing the City to be addressed at the state level are online sales tax collection, highway funding, road maintenance, and local option taxation. The state's focus for the upcoming legislature session is education, transportation funding, and budget reductions.

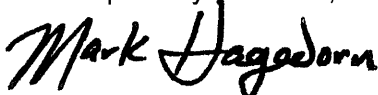
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Idaho Falls for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This was the twenty sixth consecutive year that the City of Idaho Falls has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire City staff of the Controller's office, together with assistance from other Departments and Divisions of the City, and the assistance of the City's independent auditor, Rudd & Company PLLC. All of these efforts are greatly appreciated.

Respectfully submitted,

A handwritten signature in black ink that reads "Mark Hagedorn". The signature is stylized with a large, looped "M" and a cursive "Hagedorn".

Mark Hagedorn, CPA
Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Idaho Falls
Idaho**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014



Executive Director/CEO

City of Idaho Falls

Principal Officials

September 30, 2015

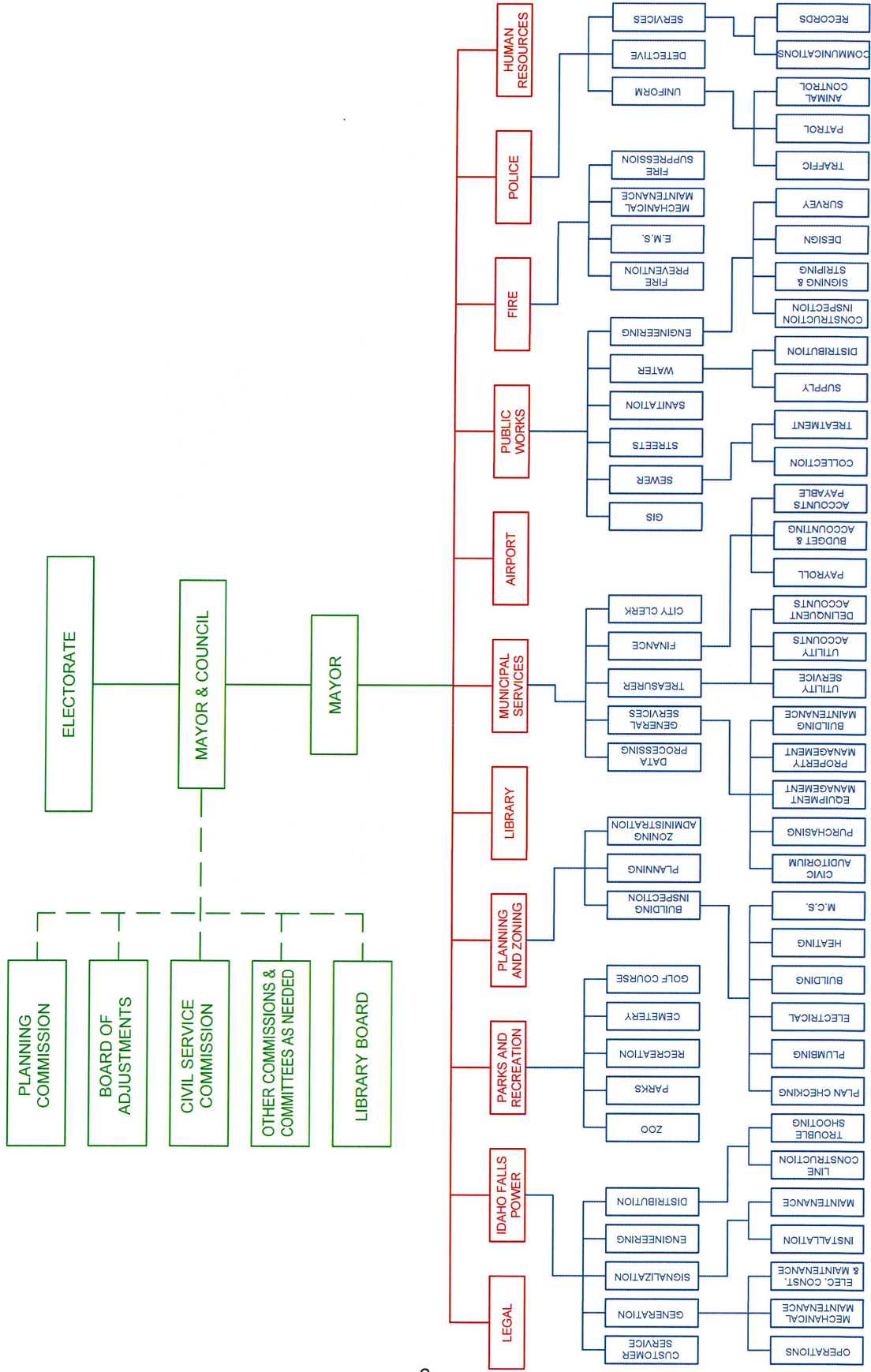
City Council

Rebecca L. Noah Casper	Mayor
Sharon Parry	Council Member (Seat 1)
David M. Smith	Council Member (Seat 2)
Thomas Hally	Council Member (Seat 3)
Ed Marohn	Council Member (Seat 4)
Michael Lehto	Council Member (Seat 5)/Mayor Pro Tem
Barbara Dee Ehardt	Council Member (Seat 6)

Other Principal Officers

Brad Cramer	Planning & Building Director
Craig Davis	Airport Director
Randall Fife	City Attorney
Jackie Flowers	Electric Light Director
Chris Fredericksen	Public Works Director
David Hanneman	Fire Chief
Melanie Marsh	Human Resources Director
Mark McBride	Police Chief
Craig Rockwood	Municipal Services Director
Greg Weitzel	Parks & Recreation Director
Robert Wright	Library Director

CITY OF IDAHO FALLS ORGANIZATION



DATE: 7-18-13

FINANCIAL SECTION



RUDD & COMPANY PLLC

certified public accountants | business consultants

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Idaho Falls, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, including PFC quarterly reports, of the City of Idaho Falls, Idaho, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We did not audit the financial statements of the City of Idaho Falls, Idaho's Electric Light Fund, which is both a major fund and 45%, 48% and 68%, respectively, of the assets, net position, and revenues of the business-type activities.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Idaho Falls, Idaho's Electric Light Fund, which represents 45%, 48% and 68%, respectively, of assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Electric Light Fund, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

IDAHO FALLS | REXBURG | DRIGGS | BOZEMAN | WEST YELLOWSTONE | HELENA

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, including passenger facility charges quarterly reports, of the City of Idaho Falls, Idaho, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 to 19 and 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Idaho Falls, Idaho's basic financial statements. The

introductory section, combining and individual nonmajor fund financial statements, the budgetary comparison schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and is not a required part of the general purpose financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

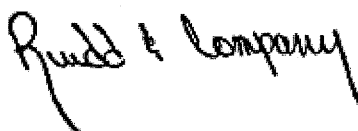
The combining and individual nonmajor fund financial statements, the budgetary comparison schedules, the schedule of passenger facility charges collected and expended and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, the schedule of passenger facility charges collected and expended and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2016, on our consideration of the City of Idaho Falls, Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Idaho Falls, Idaho's internal control over financial reporting and compliance.

Idaho Falls, Idaho
March 16, 2016



City of Idaho Falls, Idaho Management Discussion and Analysis

The discussion and analysis of the City of Idaho Falls' financial performance provides an overall review of the City's financial activities for the year ended September 30, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at September 30, 2015 by \$424,510,720 (net position). Of this amount, \$108,251,723 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$1,825,037 as a result of this year's operations and a prior period adjustment. The governmental net position decreased by \$594,505 and the business-type net position increased by \$2,419,542 from operations. Both governmental and business-type net position were affected by a prior period adjustment due to a new accounting pronouncement.
- At September 30, 2015, the City's governmental activities reported combined ending net position of \$124,594,166, a decrease of \$594,505 in comparison with the prior year. Approximately 13.05 percent of this amount, \$16,257,643, is available for spending at the City's discretion.
- At the end of the current fiscal year, the general fund balance was \$22,976,971, of which \$628,914 is classified as nonspendable. The remaining \$22,348,057 represents 58.0 percent of the total general fund expenditures.
- Total liabilities and deferred inflows of the City increased by \$22,327,860, which represents a 57.7 percent increase over the amount reported for 2014. The main factor for this change was due to a new accounting pronouncement recognizing pension liabilities and deferred outflows/inflows from the state retirement system.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Idaho Falls' basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, culture and recreation and public works. The business-type activities of the City include the airport, water and sewer, sanitation, ambulance and electric operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate redevelopment agency, a component unit of the City. Financial information for the component unit is reported separately from the financial information presented for the primary government.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-

wide financial statements. The City uses enterprise funds to account for its airport, water and sewer, sanitation, ambulance and electric operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for workers' compensation claims as a self-insurance mechanism. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the airport, water and sewer, sanitation, ambulance and electric operations, all of which are considered to be major funds of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the basic financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded its liabilities and deferred inflows by \$424,510,720 at September 30, 2015.

By far the largest portion of the City's net position, 74.2 percent, reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources.

City of Idaho Falls' Net Position

	Governmental Activities		Business-type activities		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Current and other assets	36,846,582	34,684,607	104,993,218	108,764,272	141,839,800	143,448,879
Capital assets	107,249,562	99,115,190	225,164,974	218,802,966	332,414,536	317,918,156
Net pension asset	4,435,730	3,116,856	1,720,551	1,208,979	6,156,281	4,325,835
Deferred outflows	6,484,847	1,392,451	3,060,199	658,533	9,545,046	2,050,984
Total assets & deferred outflows	155,016,721	138,309,104	334,938,942	329,434,750	489,955,663	467,743,854
Long-term liabilities outstanding	1,647,853	1,857,939	17,702,075	18,484,919	19,349,928	20,342,858
Net pension liability	11,733,009	6,608,032	5,731,700	3,229,149	17,464,709	9,837,181
Other liabilities	7,912,586	6,753,187	7,274,595	11,585,307	15,187,181	18,338,494
Deferred inflows	9,129,107	11,034,704	4,314,018	5,198,381	13,443,125	16,233,085
Total liabilities & deferred inflows	30,422,555	26,253,862	35,022,388	38,497,756	65,444,943	64,751,618
Net position:						
Net investment in capital assets	107,249,562	99,115,190	207,922,474	200,831,606	315,172,036	299,946,796
Restricted	1,086,961	599,392		1,062,286	1,086,961	1,661,678
Unrestricted	16,257,643	12,340,660	91,994,080	89,043,102	108,251,723	101,383,762
Total net position	124,594,166	112,055,242	299,916,544	290,936,994	424,510,720	402,922,236

An additional portion of the City's net position, less than 1 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$108,251,723 may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current year, the City was able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same held true for the prior fiscal year.

The net position of the City as a whole increased by \$1,825,037 or .43 percent from \$422,685,683 at September 30, 2014 to \$424,510,720 at September 30, 2015. Governmental activities decreased \$594,505 or .43 percent than the prior year while the business-type activities increased \$2,419,542 or .81 percent over the same period.

City of Idaho Falls' Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Revenues:						
Program revenues:						
Charges for services	\$ 6,714,876	\$ 9,314,992	\$ 82,663,477	\$ 86,874,898	\$ 89,378,353	\$ 96,189,890
Operating grants and contributions	3,534,293	864,397	1,908,750	1,948,498	5,443,043	2,812,895
Capital grants and contributions	4,618,811	2,179,390	3,566,590	3,826,311	8,185,401	6,005,701
General revenues:						
Property taxes	28,176,877	27,018,814			28,176,877	27,018,814
Other taxes	8,507,922	7,861,402			8,507,922	7,861,402
Other	2,626,779	968,562	515,642	409,311	3,153,170	1,377,873
Total revenues	54,190,307	48,207,557	88,654,459	93,059,018	142,844,766	141,266,575
Expenses:						
General government	4,851,858	5,563,345			4,851,858	5,563,345
Public safety	19,521,112	23,030,495			19,521,112	23,030,495
Streets	6,494,349	9,437,193			6,494,349	9,437,193
Culture and recreation	12,970,540	13,241,313			12,970,540	13,241,313
Public works	1,529,668	1,480,742			1,529,668	1,480,742
Airport			5,262,176	5,477,454	5,262,176	5,477,454
Water and sewer			14,374,663	14,776,051	14,374,663	14,776,051
Sanitation			3,559,890	3,751,991	3,559,890	3,751,991
Ambulance			3,038,522	3,757,512	3,038,522	3,757,512
Electric			49,723,504	50,884,455	49,723,504	50,884,455
Total expenses	45,367,527	52,753,088	75,958,755	78,647,463	121,326,282	131,400,551
Increase (decrease) in net position before transfers	8,822,780	(4,545,531)	12,695,704	14,411,555	21,518,484	9,866,024
Transfer	3,716,144	3,830,488	(3,716,144)	(3,830,488)		
Increase (decrease) in net position	12,538,924	(715,043)	8,979,590	10,581,067	21,518,484	9,866,024
Net position – beginning	112,055,242	125,903,714	290,936,994	286,915,945	402,992,236	412,819,659
Cumulative effect of restatement		(13,133,429)		(6,560,018)		(19,693,447)
Net Position - Beginning restated	112,055,242	112,770,285	290,936,994	280,355,927	402,992,236	393,126,212
Net position – ending	\$124,594,166	\$112,055,242	\$299,916,554	\$290,936,994	\$424,510,720	\$402,992,236

Governmental activities. During the current fiscal year, net position for governmental activities decreased \$594,505 from the prior year for an ending balance of \$124,594,166. Key elements of this decrease are as follows:

- The tax amount that was levied for the year increased from the the prior year. Property taxes collected increased slightly by \$1,158,063 or 4.2 percent during the year. This is due to a tax increase of 4.3 percent.
- Operating grants increased by \$2,669,896, mostly as a result of cooperative agreements with federal, state, and local governments.
- Capital grants decreased by \$2,439,421, mostly as a result of completion previous years' projects and the close out of the associated capital grants
- A prior period adjustment due to a cumulative effect of new accounting pronouncement showing City's portion of the state retirement system pension liabilities and deferred outflows/inflows. The decrease of \$13,133,429 or 10.5 percent to beginning net position of governmental activities.

Governmental activity expenses decreased \$7,385,561 or 14 percent reflecting the decreased cost of goods and services and pension expense. There were several additional maintenance projects that were completed this year. Within the streets function \$2,600,000 was transferred from the general fund and streets fund for street improvement projects. The council approved an additional \$1,200,000 to be transferred from the general fund for reconstruction of a major intersection in the next fiscal year.

Business-type activities. Business-type activities increased the City's net position by \$2,419,542, accounting for 100 percent of the total growth in the government's net position. Key elements of this increase are as follows:

- Business-type activity expenses increased by \$2,688,708 or 3.4 percent.
- The airport fund, water and sewer fund, and the electric fund had contributed capital during the year with a \$3,566,590 value.
- The last payment on the electric light utility fund's 1991 GO bonds was on, April 1, 2015. As a result debt and accrued interest for the electric light fund has decreased \$3,659,225 over the last year.
- A prior period adjustment due to a cumulative effect of new accounting pronouncement showing City's portion of the state retirement system pension liabilities and deferred outflows/inflows. The decrease of \$6,560,018 or 2.2 percent to beginning net position of business-type activities.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The City uses governmental funds to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

As of September 30, 2015, the City's governmental funds reported combined ending fund balances of \$29,932,860 an increase of \$278,618 in comparison with the prior year. Approximately 32.9 percent of this total amount, \$9,854,940 constitutes unassigned fund balance which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form \$786,746, 2) restricted for particular purposes \$1,086,961, 3) committed for particular purposes \$2,733,068, or 4) assigned for particular purposes \$15,471,175.

The general fund is the chief operating fund of the City. At September 30, 2015, unassigned fund balance of the general fund was \$12,715,168, while total fund balance decreased to \$22,976,971. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditure. Unassigned fund balance represent 32.99 percent of total general fund expenditure, while total fund balance represents 59.6 percent of that same amount.

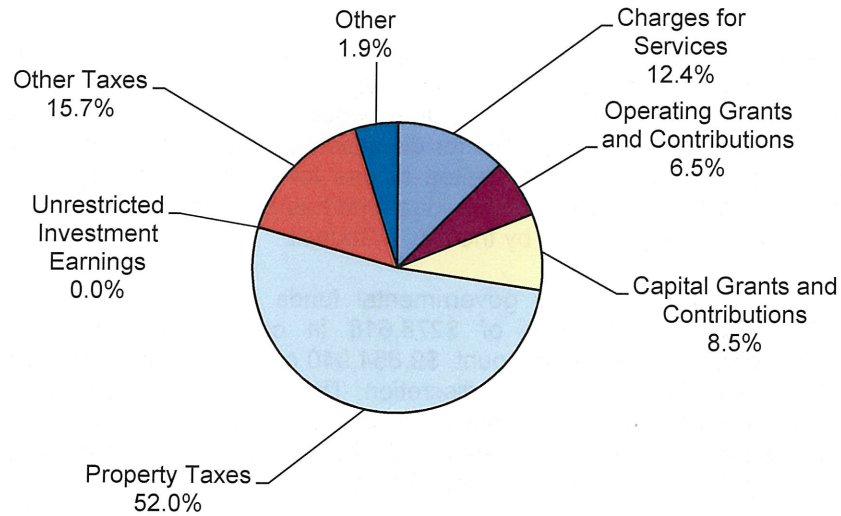
The fund balance of the City's general fund decreased by \$855,920, during the current fiscal year. The key factors in this are as follows:

- Transfers out of the general fund totaled \$2,000,000. This was an increase of \$267,370 over the prior year. Transfers to the street fund and street capital improvement fund was increased by \$1,000,000 to help pay for additional street construction projects.
- Revenues increased by \$1,543,235 or 3.2 percent as compared to the prior year, Increase was due to change in property tax rates and revenues from intergovernmental cooperatives.
- Expenditures increased by \$1,240,134 or 3.3 percent compared to the prior year. The increase was due to a 3 percent cost of living approved to the employees and increases in employee benefit costs.

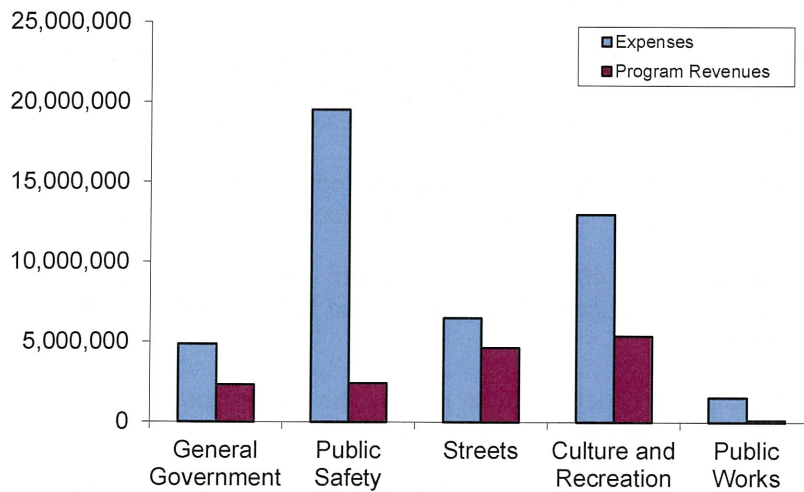
Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of all the proprietary funds at September 30, 2015 amounted to \$91,668,608. Of that total electric operation amounted to \$51,637,366 or 56.3 percent. The total increase in net position for the funds was \$8,843,743 compared to the prior year unrestricted net position. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

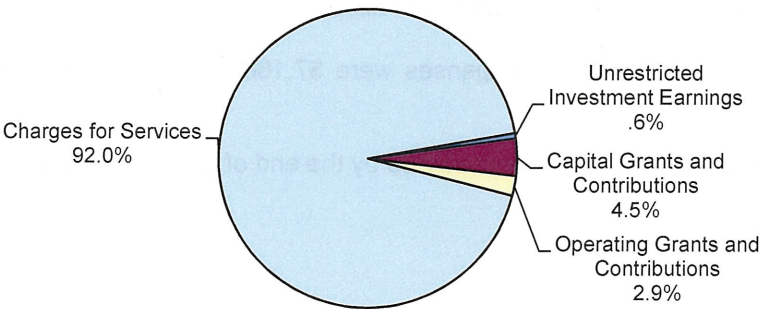
2015 Revenues by Source - Governmental Activities



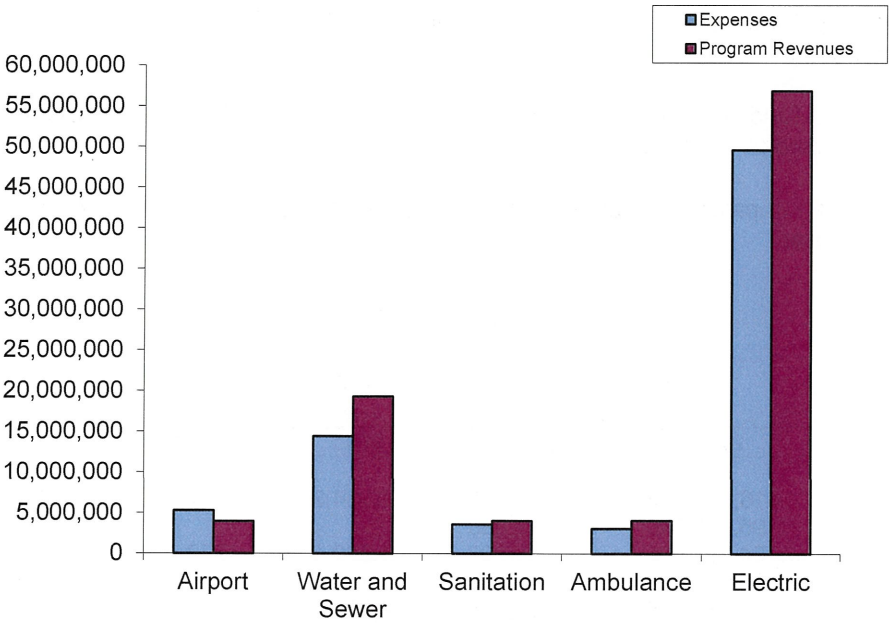
2015 Expenses and Program Revenues - Governmental Activities



2015 Revenues by Source - Business-type Activities



2015 Expenses and Program Revenues - Business-type Activities



General Fund Budgetary Highlights. The City did not amend the 2015 general fund budget.

The major differences between the budget and actual for the general fund are summarized as follows:

- The general fund budgeted revenues exceeded actual revenues by \$5,882,323 mainly due to actual funds received from grants and state funding was less than budgeted. Fines from the court system and donations were also less than expected.
- General government administrative expenses were \$7,166,132 less than budgeted due to management of resources.
- A few budgeted capital projects were not started by the end of the budget year.
- Other cost savings.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2015 amounts to \$332,373,681 (net of accumulated depreciation). Capital assets include land, infrastructure, buildings, improvements other than buildings, machinery and equipment and construction in progress.

Major Capital additions during the year were:

- The addition of \$13,931,060 in governmental assets is from street improvements from city projects and developer contributions/annexations, existing building upgrades, equipment replacement, and infrastructure.
- The water and sewer fund spent \$9,173,586 for new water lines, sewer lines, replacement of existing lines and continued construction of the \$22,000,000 project to upgrade the sewer treatment plant.
- The electric fund added \$14,395,370 in capital for transmission, distribution, smart grid, generation, and fiber optics.
- The Pancheri improvement project and Sunnyside and Hitt Rd intersection were completed during the year.

City of Idaho Falls' Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$16,131,613	\$15,889,576	\$ 7,334,806	\$ 7,283,927	\$ 23,466,419	\$ 23,173,503
Infrastructure	95,660,540	87,689,886	-	-	95,660,540	87,689,886
Buildings and improvements	54,556,965	52,725,266	381,999,653	372,483,900	436,556,619	425,209,166
Machinery and equipment	24,031,831	20,772,540	36,113,934	35,227,978	60,145,765	56,000,518
Construction in progress	1,130,088	321,086	34,393,258	26,638,969	35,523,346	26,960,055
Accumulated depreciation	(84,261,475)	(78,283,164)	(234,676,677)	(222,831,808)	(318,938,152)	(300,114,972)
Total	107,249,562	\$99,115,190	\$225,164,973	\$218,802,966	\$332,414,535	\$317,918,156

Additional information about the City's capital assets can be found in Note IV.C in the notes to the financial statements.

Debt administration. At September 30, 2015, the City had \$19,668,741 in business-type debt outstanding compared to \$23,473,895 last year, a 16.2 percent decrease.

City of Idaho Falls' Outstanding Business-type Debt		
	2015	2014
General obligations-zero coupon bonds		\$ 3,805,154
State of Idaho DEQ note	\$17,242,500	17,242,500
Compensated absences	2,413,865	2,438,014
Total	<u>\$19,668,741</u>	<u>\$23,473,895</u>

The general obligation bonds were zero coupon bonds. The bonds were sold at a discount with the interest accruing until the bond is callable.

The State of Idaho note is a wastewater treatment facility loan for design and construction. Note proceeds are not payable until construction is completed.

Additional information about the City's long-term debt can be found in Note IV.E.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City is lower than reported last year at 3.4 percent. This compares favorably to the state's average unemployment rate of 3.9 percent.
- Inflationary trends for the City are about the same as the national level.
- Interest rates are expected to remain at low levels throughout fiscal year 2015-2016.
- The City compares favorably with the mountain west region in economic growth. Revenues from building permits remained constant in comparison to the prior year and is projected to slightly increase going forward. The economic outlook remains optimistic with a slow upward trend.
- There have been slight declines in taxable assessed property value during the last three years. It is expected that the assessed values will increase in the near future and that this will help in raising new revenue through property taxes.

These factors and many others were considered in preparing the City's budget for the 2016 fiscal year.

The general fund ended the current year with an unassigned fund balance of \$12,715,168. The City has not appropriated any of this unassigned fund balance for spending in the 2016 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mark Hagedorn, City of Idaho Falls, 308 Constitution Way, P.O. Box 50220, Idaho Falls, ID 83405.

City of Idaho Falls
Statement of Net Position
September 30, 2015

	Primary Government			Component Unit
	Governmental	Business-type		Redevelopment
	Activities	Activities	Total	Agency
ASSETS				
Cash and cash equivalents	\$ 10,299,613	\$ 21,651,090	\$ 31,950,703	\$ 214,489
Investments	21,337,378	68,277,597	89,614,975	7,671,770
Receivables (net of allowance for uncollectables)	2,564,879	9,693,951	12,258,830	124,988
Internal balances	(324,044)	324,044	-	-
Due from other governments	2,182,040	256,288	2,438,328	-
Inventories	786,716	4,790,248	5,576,964	-
Net pension asset	4,435,730	1,720,551	6,156,281	-
Capital assets (net of accumulated depreciation):				
Land	16,131,613	7,334,806	23,466,419	-
Infrastructure	95,660,540	-	95,660,540	-
Buildings and improvements	54,556,965	381,999,653	436,556,618	-
Machinery and equipment	24,031,831	36,113,934	60,145,765	-
Construction work in progress	1,130,088	34,393,258	35,523,346	-
Accumulated depreciation	(84,261,475)	(234,676,677)	(318,938,152)	-
Total assets	148,531,874	331,878,743	480,410,617	8,011,247
DEFERRED OUTFLOWS				
Deferred outflows related to pensions	6,484,847	3,060,199	9,545,046	-
LIABILITIES				
Accounts payable	2,687,741	4,212,126	6,899,867	2,519
Contracts payable	10,000	-	10,000	-
Accrued wages payable	1,343,963	584,388	1,928,351	-
Security deposits	352,971	-	352,971	-
Accrued interest payable	-	511,416	511,416	1,481,510
Noncurrent liabilities:				
Due within one year	3,517,911	1,966,665	5,484,576	-
Due in more than one year	1,647,853	17,689,699	19,337,552	12,315,671
Net pension liability	11,733,009	5,731,700	17,464,709	-
Net other postemployment benefits obligation	-	12,376	12,376	-
Total liabilities	21,293,448	30,708,370	52,001,818	13,799,700
DEFERRED INFLOWS				
Deferred inflows related to pensions	9,129,107	4,314,018	13,443,125	-
NET POSITION				
Net investment in capital assets	107,249,562	207,922,474	315,172,036	-
Restricted for:				
Conservation program	1,086,961	-	1,086,961	-
Unrestricted	16,257,643	91,994,080	108,251,723	(5,788,453)
Total net position (deficit)	\$ 124,594,166	\$ 299,916,554	\$ 424,510,720	\$ (5,788,453)

The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
Statement of Activities
For the Year Ended September 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit Redevelopment Agency
					Governmental Activities	Business-type Activities	
Primary Government:							
Government activities:							
General government	\$ 4,851,858	\$ 1,694,637	\$ 620,595	\$ -	\$ (2,536,626)	\$ (2,536,626)	
Public safety	19,521,112	482,009	1,943,429	-	(17,095,674)	(17,095,674)	
Streets	6,494,349	146,759	60,000	4,432,899	(1,854,691)	(1,854,691)	
Culture and recreation	12,970,540	4,272,222	910,269	185,912	(7,602,137)	(7,602,137)	
Public works	1,529,668	119,249	-	-	(1,410,419)	(1,410,419)	
Total governmental activities	45,367,527	6,714,876	3,534,293	4,618,811	(30,499,547)	(30,499,547)	
Business-type activities:							
Airport	5,262,176	2,188,755	95,890	1,622,252		\$ (1,355,279)	(1,355,279)
Water and sewer	14,374,663	17,666,063	-	1,597,939		4,889,339	4,889,339
Sanitation	3,559,890	4,009,645	-	-		449,755	449,755
Ambulance	3,038,522	2,209,153	1,812,860	-		983,491	983,491
Electric	49,723,504	56,589,861	-	346,399		7,212,756	7,212,756
Total business-type activities	75,958,755	82,663,477	1,908,750	3,566,590		12,180,062	12,180,062
Total primary government	\$ 121,326,282	\$ 89,378,353	\$ 5,443,043	\$ 8,185,401	(30,499,547)	12,180,062	(18,319,485)
Component unit:							
Redevelopment agency	\$ 2,350,638	\$ 26,408	\$ -	\$ -			\$ (2,324,230)
Total component unit	\$ 2,350,638	\$ 26,408	\$ -	\$ -			(2,324,230)
General revenues:							
Property taxes					28,176,877	-	28,176,877
Unrestricted sales tax and revenue sharing					7,154,832	-	7,154,832
Franchise taxes					690,472	-	690,472
Alcoholic beverage taxes					662,618	-	662,618
Unrestricted investment earnings					10,749	515,642	526,391
Miscellaneous revenues					2,626,779	-	2,626,779
Transfers					3,716,144	(3,716,144)	-
Total general revenues and transfers					43,038,471	(3,200,502)	39,837,969
Change in net position					12,538,924	8,979,560	21,518,484
Net position (deficit)-beginning					125,188,671	297,497,012	422,685,683
Cumulative effect of restatement					(13,133,429)	(6,560,018)	(19,693,447)
Net position (deficit)-beginning restated					112,055,242	290,936,994	402,992,236
Net position (deficit)-ending					\$ 124,594,166	\$ 299,916,554	\$ 424,510,720
							\$ (5,788,453)

The notes to the financial statements are an integral part of this statement.

**City of Idaho Falls
Balance Sheet
Governmental Funds
September 30, 2015**

	General	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 8,814,840	\$ 769,610	\$ 9,584,450
Investments	14,516,309	5,521,069	20,037,378
Receivables	1,274,100	1,233,201	2,507,301
Due from other funds	4,005	-	4,005
Due from other governments	1,238,736	943,304	2,182,040
Inventory	628,914	157,802	786,716
Total assets	<u>\$ 26,476,904</u>	<u>\$ 8,624,986</u>	<u>\$ 35,101,890</u>
LIABILITIES			
Accounts payable	\$ 896,148	\$ 1,313,656	\$ 2,209,804
Contracts payable	-	10,000	10,000
Accrued wages	1,162,899	181,064	1,343,963
Due to other funds	-	2,575	2,575
Security deposits	301,741	51,230	352,971
Total liabilities	<u>2,360,788</u>	<u>1,558,525</u>	<u>3,919,313</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	<u>1,139,145</u>	<u>110,572</u>	<u>1,249,717</u>
FUND BALANCES			
Nonspendable	628,914	157,802	786,716
Restricted	-	1,086,961	1,086,961
Committed	1,293,941	1,439,127	2,733,068
Assigned	8,338,948	7,132,227	15,471,175
Unassigned	12,715,168	(2,860,228)	9,854,940
Total fund balances	<u>22,976,971</u>	<u>6,955,889</u>	<u>29,932,860</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,476,904</u>	<u>\$ 8,624,986</u>	<u>\$ 35,101,890</u>

The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2015

Total fund balances reported on the governmental funds balance sheet	\$ 29,932,860
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	107,249,562
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	1,249,717
Internal service funds are used by management to charge the costs of workers' compensation to individual funds. The assets and liabilities of the fund are included in governmental activities in the statement of net position.	1,269,330
Deferred inflows and outflows	
Deferred outflows related to pensions	6,484,847
Deferred outflows related to pensions	(9,129,107)
Long-term liabilities, including compensated absences and net pension liability are not due and payable in the current period, and, therefore, are not reported in the funds.	(12,463,043)
Net position of governmental activities	<u><u>\$ 124,594,166</u></u>

The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2015

	General	Total Nonmajor Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 25,805,643	\$ 2,984,073	\$ 28,789,716
Licenses and permits	803,450	-	803,450
Intergovernmental	6,862,720	6,103,495	12,966,215
Charges for services	1,055,396	4,488,271	5,543,667
Fines	285,232	82,525	367,757
Miscellaneous	896,278	1,484,797	2,381,075
Total revenues	<u>35,708,719</u>	<u>15,143,161</u>	<u>50,851,880</u>
EXPENDITURES			
Current:			
General government	8,644,976	1,005,518	9,650,494
Public safety	21,974,440	-	21,974,440
Streets	-	4,377,804	4,377,804
Culture & recreation	6,292,913	6,882,516	13,175,429
Public works	1,622,157	-	1,622,157
Capital outlay	-	3,489,082	3,489,082
Total expenditures	<u>38,534,486</u>	<u>15,754,920</u>	<u>54,289,406</u>
Excess (deficiency) of revenues over expenditures	<u>(2,825,767)</u>	<u>(611,759)</u>	<u>(3,437,526)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,969,847	2,975,000	6,944,847
Transfers out	(2,000,000)	(1,228,703)	(3,228,703)
Total other financing sources (uses)	<u>1,969,847</u>	<u>1,746,297</u>	<u>3,716,144</u>
Net change in fund balances	(855,920)	1,134,538	278,618
Fund balances, beginning	23,832,891	5,821,351	29,654,242
Fund balances, ending	<u><u>\$ 22,976,971</u></u>	<u><u>\$ 6,955,889</u></u>	<u><u>\$ 29,932,860</u></u>

The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended September 30, 2015

Net change in fund balances-total governmental funds	\$	278,618
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		5,393,839
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		73,501
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		2,740,533
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds (i.e., compensated absences, pension expense, and other postemployment benefits liability).		3,187,744
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Internal service funds are used by management to charge the costs of workers' compensation claims to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		864,689
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Change in net position of governmental activities	\$	<u>12,538,924</u>
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The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-GAAP Basis - Budget and Actual
For the Fiscal Year Ended September 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 25,568,981	\$ 25,576,947	\$ 7,966
Licenses and permits	675,900	803,450	127,550
Intergovernmental	11,923,764	6,815,627	(5,108,137)
Charges for services	1,083,000	1,055,393	(27,607)
Fines	431,792	285,232	(146,560)
Interest	100,000	41,091	(58,909)
Miscellaneous	1,499,246	822,620	(676,626)
Total revenues	<u>41,282,683</u>	<u>35,400,360</u>	<u>(5,882,323)</u>
EXPENDITURES			
Current:			
General government	9,499,312	7,120,014	2,379,298
Public safety	24,684,264	22,334,445	2,349,819
Culture and recreation	8,280,177	6,188,935	2,091,242
Public works	1,977,876	1,632,103	345,773
Total expenditures	<u>44,441,629</u>	<u>37,275,497</u>	<u>7,166,132</u>
Excess (deficiency) of revenues over expenditures	<u>(3,158,946)</u>	<u>(1,875,137)</u>	<u>1,283,809</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,179,466	3,969,847	(209,619)
Transfers out	-	(2,000,000)	(2,000,000)
Total other financing sources (uses)	<u>4,179,466</u>	<u>1,969,847</u>	<u>(2,209,619)</u>
Net change in fund balances	1,020,520	94,710	(925,810)
Fund balance, beginning	<u>23,832,891</u>	<u>23,832,891</u>	<u>-</u>
Fund balance, ending	<u>\$ 24,853,411</u>	<u>\$ 23,927,601</u>	<u>\$ (925,810)</u>

The notes to the financial statements are an integral part of this statement.

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City of Idaho Falls
Statement of Net Position
Proprietary Funds
September 30, 2015

	Business-type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Airport	Water & Sewer	Sanitation	Ambulance	Electric	Total
ASSETS						
Current assets:						
Cash and cash equivalents	1,961,858	7,952,561	1,022,434	50,184	10,664,053	21,651,090
Investments	1,780,301	25,358,813	1,559,225	497,725	39,081,533	68,277,597
Receivables (net of allowance for uncollectibles):						
Utility & accounts interest	128,319	1,687,538	376,296	1,228,436	5,950,515	9,371,104
Due from other governments	11,134	122,108	3,389	-	186,216	322,847
Inventory	256,288	-	-	-	-	256,288
Net pension asset	-	1,673,007	-	-	3,117,241	4,790,248
Total current assets	4,137,900	36,794,027	2,961,343	3,496,896	58,999,558	106,389,725
Capital assets:						
Land	2,615,359	1,772,716	-	-	2,946,731	7,334,806
Buildings	17,758,408	2,873,441	430,756	107,537	4,591,031	25,761,173
Improvements other than buildings	50,574,915	114,512,729	39,385	-	191,111,452	356,238,481
Machinery & equipment	3,548,997	14,091,448	5,662,173	2,432,584	10,378,732	36,113,934
Construction work in progress	2,156,969	24,565,815	-	-	7,670,474	34,393,258
Less accumulated depreciation	(37,936,400)	(65,973,822)	(4,139,776)	(1,799,650)	(124,827,030)	(234,676,677)
Total capital assets (net of accumulated depreciation)	38,718,248	91,842,326	1,992,538	740,471	91,871,390	225,164,973
Total noncurrent assets	38,718,248	91,842,326	1,992,538	740,471	91,871,390	225,164,973
Total assets	42,856,148	128,636,353	4,953,881	4,237,367	150,870,949	331,554,699
Deferred outflow of resources						
Deferred outflows related to pensions	148,529	572,396	271,050	891,809	1,176,415	3,060,199
Total deferred outflow of resources	148,529	572,396	271,050	891,809	1,176,415	3,060,199
Total assets and deferred outflows of resources	43,004,677	129,208,749	5,224,931	5,129,176	152,047,364	334,614,898

Business-type Activities-Enterprise Funds

	Water &					Governmental Activities-Internal Service Funds	
	Airport	Sewer	Sanitation	Ambulance	Electric	Service Funds	
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 33,631	\$ 831,969	\$ 299,754	\$ 30,344	\$ 3,016,427	\$	\$ 477,938
Accrued wages	31,366	129,516	63,862	116,856	242,787		-
Due to other funds	343	212	35	326	514		-
Compensated absences	91,139	319,510	141,265	371,460	1,043,291		-
Accrued interest payable-current	-	511,416	-	-	-		-
Total current liabilities	156,479	1,792,623	504,917	518,986	4,303,019		477,938
Noncurrent liabilities:							
Compensated absences	31,734	203,450	83,835	128,180	-		-
Net pension liability	322,554	1,243,046	588,627	1,025,232	2,552,241		-
Net other postemployment benefits	-	-	-	-	12,376		-
Loan payable	-	17,242,500	-	-	-		-
Total noncurrent liabilities	354,288	18,688,996	672,462	1,153,412	2,564,617		-
Total liabilities	510,767	20,481,619	1,177,379	1,672,398	6,867,636		477,938
Deferred inflow of resources							
Deferred inflows related to pensions	211,179	813,832	385,379	1,232,656	1,670,972		
Total deferred inflow of resources	211,179	813,832	385,379	1,232,656	1,670,972		
NET POSITION							
Net investment in capital assets	38,718,248	74,599,826	1,992,538	740,471	91,871,390	207,922,473	-
Restricted for debt service	-	-	-	-	-	-	-
Unrestricted	3,564,483	33,313,472	1,669,636	1,483,652	51,637,366	91,668,608	1,594,803
Total net position	\$ 42,282,731	\$ 107,913,298	\$ 3,662,174	\$ 2,224,122	\$ 143,508,756	299,591,081	\$ 1,594,803
Total liabilities, deferred inflows of resources and net position	\$ 43,004,677	\$ 129,208,749	\$ 5,224,931	\$ 5,129,176	\$ 152,047,364		

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net position of business-type activities

325,473
\$ 299,916,554

The notes to the financial statements are an integral part of this statement.

City of Idaho Falls
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2015

	Business-type Activities-Enterprise Funds					Governmental Activities-Internal Service Funds
	Airport	Water & Sewer	Sanitation	Ambulance	Electric	Total
Operating revenues:	\$ 2,188,755	\$ 17,666,063	\$ 4,009,645	\$ 2,209,153	\$ 55,729,651	\$ 81,803,267
Operating expenses:						
Operations and maintenance	2,729,408	10,387,275	3,116,489	2,885,070	43,558,794	62,677,036
Depreciation	2,541,885	4,021,884	460,157	180,799	6,087,036	13,291,762
Total operating expenses	5,271,293	14,409,159	3,576,646	3,065,869	49,645,830	75,968,797
Operating income (loss)	(3,082,538)	3,256,904	432,999	(856,716)	6,083,821	5,834,470
Nonoperating revenues (expenses):						
Intergovernmental	95,890	-	-	1,812,860	-	1,908,750
Interest income	17,622	205,510	11,993	3,146	277,370	515,642
Other	-	-	-	-	860,210	860,210
Interest expenses	-	-	-	-	(125,775)	(125,775)
Total nonoperating revenues (expenses)	113,512	205,510	11,993	1,816,006	1,011,805	3,158,827
Net income (loss) before contributions and transfers	(2,969,026)	3,462,414	444,993	959,290	7,095,626	8,993,297
Capital contributions	1,622,252	1,597,939	-	-	346,399	3,566,590
Transfers in	628,703	-	-	-	-	628,703
Transfers out	-	(853,021)	(199,851)	-	(3,291,975)	(4,344,847)
Change in net position	(718,071)	4,207,332	245,142	959,290	4,150,050	8,843,743
Net position-beginning	43,400,248	105,245,336	4,145,980	1,992,759	142,523,033	594,297
Cumulative effect of restatement	(399,446)	(1,539,370)	(728,948)	(727,927)	(3,164,327)	
Net position-beginning restated	43,000,802	103,705,966	3,417,032	1,264,832	139,358,706	594,297
Net position-ending	\$ 42,282,731	\$ 107,913,298	\$ 3,662,174	\$ 2,224,122	\$ 143,508,756	\$ 1,594,803
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						135,817
Change in net position of business-type activities						\$ 8,979,560

The notes to the financial statements are an integral part of this statement.

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City of Idaho Falls
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2015

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Airport	Water & Sewer	Sanitation	Ambulance	Electric	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 3,018,284	\$ 17,642,917	\$ 3,971,260	\$ 2,107,736	56,679,400	\$ 83,419,597
Cash received from other funds	-	-	-	-	-	-
Payments to suppliers	(2,272,154)	(6,801,724)	(672,919)	(676,087)	(38,270,001)	(48,692,885)
Payments to employees	(1,057,343)	(4,128,457)	(2,192,996)	(3,366,036)	(6,048,023)	(16,792,855)
Net cash provided (used) by operations	(311,213)	6,712,736	1,105,345	(1,934,387)	12,361,376	17,933,857
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental revenues	95,890	-	-	1,812,860	-	1,908,750
Other, net	-	-	-	-	860,210	860,210
Transfers from other funds	628,703	-	-	-	-	628,703
Transfers to other funds	-	(853,021)	(199,851)	-	(3,291,975)	(4,344,847)
Net cash provided (used) by noncapital financing activities	724,593	(853,021)	(199,851)	1,812,860	(2,431,765)	(947,184)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital grants received	1,622,252	-	-	-	-	1,622,252
Acquisition and construction of capital assets	(1,818,312)	(7,339,580)	(965,792)	(121,382)	(6,916,803)	(17,161,869)
Proceeds from sales of assets	-	42,000	-	4,200	-	46,200
Capital debt proceeds	-	-	-	-	(728,860)	(728,860)
Interest paid on capital debt	-	-	-	-	(3,056,140)	(3,056,140)
Net cash provided (used) by capital and related financing activities	(196,060)	(7,297,580)	(965,792)	(117,182)	(10,701,803)	(19,278,417)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investments	7,571,622	62,899,730	5,799,787	1,429,931	(89,079,103)	(11,378,033)
Purchase of investments	(7,612,498)	(70,030,185)	(5,899,064)	(1,501,909)	87,649,524	2,605,868
Earnings on investments	8,027	132,722	8,886	3,247	319,668	472,550
Net cash provided (used) by investing activities	(32,849)	(6,997,733)	(90,391)	(68,731)	(1,109,911)	(8,299,615)

Net increase (decrease) in cash and cash equivalents	184,471	(8,435,598)	(150,689)	(307,440)	(1,882,103)	(10,591,359)	(292,327)
Cash and cash equivalents balance, October 1	1,777,387	16,388,159	1,173,123	357,624	12,546,155	32,242,448	1,007,490
Cash and cash equivalents balance, September 30	\$ 1,961,858	\$ 7,952,561	\$ 1,022,434	\$ 50,184	\$ 10,664,052	\$ 21,651,089	\$ 715,163
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (3,082,538)	\$ 3,256,904	\$ 432,999	\$ (856,716)	\$ 6,083,821	\$ 5,834,470	\$ 476,113
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	2,541,886	4,021,884	460,157	180,799	6,087,036	13,291,762	-
(Gain) loss on sale of assets	-	(40,699)	(4,427)	1,935	-	(43,191)	-
(Increase) decrease in accounts receivable	(25,854)	17,553	(33,958)	(103,352)	940,386	794,775	(15,012)
(Increase) decrease due from other governments	855,382	-	-	-	9,345	864,727	-
(Increase) decrease inventory	-	(79,480)	-	-	-	(79,480)	-
(Increase) decrease in net pension asset	-	-	-	(511,572)	-	(511,572)	-
(Increase) decrease in deferred pension outflows	(116,259)	(448,035)	(212,161)	(704,426)	-	(1,480,881)	-
(Decrease) increase accounts payable	(596,245)	(632,394)	291,316	4,363	(643,660)	(1,576,620)	28,472
(Decrease) increase accrued interest payable	-	302,571	-	-	-	302,571	-
(Decrease) increase due to other funds	99	160	(58)	(22)	-	179	-
(Decrease) increase in accrued liabilities	10,299	(78,875)	(14,692)	(78,995)	-	(162,263)	-
(Decrease) increase in net pension liability	140,945	543,167	257,209	447,989	(115,552)	1,273,758	-
(Decrease) increase in deferred pension inflows	(38,928)	(150,020)	(71,040)	(314,390)	-	(574,378)	-
Total adjustments	2,771,325	3,455,832	672,346	(1,077,671)	6,277,555	12,099,387	13,460
Net cash provided (used) by operating activities	\$ (311,213)	\$ 6,712,736	\$ 1,105,345	\$ (1,934,387)	\$ 12,361,376	\$ 17,933,857	\$ 489,573
Noncash investing, capital, and financing activities:							
Contributions of capital assets	-	1,597,939	-	-	156,277	1,754,216	-
Trade-in of capital assets	-	-	50,000	-	-	50,000	-

For purposes of the statements of cash flows, cash and cash equivalents are as follows:

The notes to the financial statements are an integral part of this statement.

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City of Idaho Falls, Idaho
Notes to the Financial Statements
For the Year Ended September 30, 2015

I. Summary of significant accounting policies

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting entity

The City of Idaho Falls (the City) was incorporated in 1889 under the laws of the State of Idaho. The City operates under a Mayor-Council form of government. The Mayor is elected for a four-year term. The Council consists of six members, each serving a four-year term. The City provides the following services: public safety (police, fire, ambulance and animal control), planning and building, parks and recreation, streets, library, public works, airport, water and sewer, electric, sanitation, and general and administrative services. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is a legally separate from the City.

Discretely presented component units. The Idaho Falls Redevelopment Agency (Agency) was created in 1966 and re-established in 1988 by the Idaho Falls City Council for the purpose of redeveloping and rehabilitating certain deteriorating areas in the City. The Agency is governed by six members who are appointed by the Mayor and approved by the Council. The Agency is authorized under the provisions of the Idaho Urban Renewal Law of 1965 (chapter 20, Title 50, Idaho Code).

Separately issued financial reports are available for the Idaho Falls Redevelopment Agency. These reports may be obtained by contacting the City of Idaho Falls City Clerk's office.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The Governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for the governmental funds and proprietary funds.

As discussed earlier, the City has one discretely presented component unit. This component unit is presented separately in the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer, sanitation, and electric functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation - fund financial statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government such as general administration, police, fire, planning and building, parks and public works, except those required to be accounted for in another fund.

The City reports the following major enterprise funds:

The airport fund accounts for the activities of the City airport.

The water and sewer fund is used to account for the operations of the water and sewer utility system. The City operates 19 wells, a water distribution system, sewage treatment plant, sewage pumping stations and collection systems.

The electric fund accounts for the activities of the City's electric generation, transmission and distribution operations.

The City has elected to include the following as major proprietary funds that would have been normally classified as nonmajor:

The sanitation fund accounts for the activities of the City's trash collection operations.

The ambulance fund accounts for the activities of operating the City's ambulance service.

Additionally, the City reports the following fund types:

Internal Service funds account for risk management services for self-insured workers' compensation provided to other departments on a cost reimbursement basis.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide statements. Balances between funds included in the governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between funds included in the business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amounts are included as internal balances in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisition under capital leases are reported as other financing sources.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and accrual basis of accounting.

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and investments

The City's cash and cash equivalents are defined as unrestricted cash on hand, demand deposits and short-term investments and restricted cash and investments with original maturities of three months or less from the date of acquisition. Restricted investments are stated at fair value. The City pools its investable funds to maximize interest income. Interest income earned as a result of pooling is distributed to the appropriate funds based on the average balance of pooled cash of each fund. Unrestricted investments are stated at fair value.

Idaho Code provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. City policy is consistent with this direction.

The City is limited to the following general types of investments:

Certain revenue bonds, general obligation bonds, local improvement district bonds, tax anticipation notes, and registered warrants of state and local governmental entities.

Time deposit accounts.

Bonds, treasury bills, interest-bearing notes, debentures, or other similar obligations of the United States Government and the Farm Credit System.

Repurchase agreements.

Banker's acceptances and prime commercial paper.

Mutual or money market funds.

2. Receivables and payables

Delinquent utility receivables are carried in the accounts of the utility funds for five years from the date of the last transaction, before they are written off against the allowance for doubtful accounts. Such amounts are included in the allowance for doubtful accounts after one year with no activity. All trade receivables are shown net of allowance for uncollectibles.

The property tax levy rate is set in September and the dollar amount is set in November for the following calendar year. Levies are determined on the second Monday of September. All of the personal property tax and one-half of the real property tax are due on or before December 20. The remaining one-half of the real property tax is due on or before June 20, of the following year. Property taxes attach as an enforceable lien on property as of January 1, of the following year. Notice of foreclosure is filed with the County Clerk on property three years from the date of delinquency. The property tax revenue is budgeted for the ensuing fiscal year.

3. Inventory

Inventory is stated at average cost. Inventory for all funds except golf consist of expendable supplies held for consumption and is recorded as an expense when consumed (consumption method). Inventory for the golf fund consists of items for resale.

4. Restricted assets

Funds set aside to meet conservation loan requirements in the governmental funds are classified as restricted assets on the balance sheet because their use is limited by the conservation programs.

5. Capital assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of two years. Infrastructure, water and sewer lines, wells, electrical distribution and transmission lines, and generation facility costs are summarized at year-end and recorded as summary totals for the year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated except for land, land improvements, and construction in progress. Depreciable assets are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	7-50
Improvements other than buildings	5-50
Machinery and equipment	3-50
Infrastructure	25-50

6. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one type of deferred outflows of resources. This amount relates to the City's allocable share of the effect of changes during the year on the valuation of the net pension liability. This amount is reported only in the business-type funds and in the government-wide financial statements.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflow of resources. The separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as inflow of resources (revenue) until that time. The City has two types of items in this area. One item, which arises only under a modified accrual basis of accounting, unavailable revenue, is reported only in the governmental funds balance sheet and represents unavailable revenues from property taxes and grant revenues received in advance. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second type of deferred inflows of resources relates to the effect of changes during the year in the calculation of the net pension liability.

7. Compensated absences

a. Governmental funds:

The City reports compensated absences in accordance with the provision of GASB Interpretation No. 6 "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements". The City uses the current financial resources measurement focus and the modified accrual basis of accounting. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

b. Enterprise funds:

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits in the future. The amount is based on eligible accumulated sick leave and employee wage rates at retirement.

The entire amount of compensated absences is reported as a fund liability.

The entire compensated absence liability is reported on the government-wide financial statements.

8. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. In the fund financial statements, governmental fund types recognize the face amount of debt, including capital leases, issued as other financing sources.

9. Pensions

For purposes of measuring the net pension liability and pension expense (revenue), information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and the Firefighters' Retirement Fund Plan (FRF) and additions to/deductions from Base Plan's and FRF's fiduciary net position have been determined on the same basis as they are reported by the Base Plan and FRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Fund equity

In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Designations of fund balance as nonspendable, restricted, committed, assigned, or unassigned is based upon the types of constraints placed on the outstanding balances.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the government fund balance sheet and the government wide statement of net position

The government fund balance sheet includes reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. The principal element of that difference is reported as the net investment in capital assets reported. However, there is no debt related to the government capital assets; the \$107,249,562 represents the entire net value of the City's governmental capital assets after deducting \$84,261,475 in accumulated depreciation.

B. Explanation of certain differences between the governmental fund statements of revenues, expenditures, and changes in fund balances and government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capitalized asset expenditures	\$12,241,566
Depreciation expense	<u>6,847,727</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 5,393,839</u>

C. Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position

The proprietary fund statement of net position includes a reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is "Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds." The detail of this \$325,473 difference is as follows:

Internal receivable representing charges in excess of cost to business-type activities-prior years	\$ 189,656
Internal receivable representing charges in excess of cost to business-type activities-current year	<u>135,817</u>
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	<u>\$ 325,473</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

All governmental and proprietary fund types are required to legally adopt an annual budget.

Budgets are not adopted on a basis consistent with generally accepted accounting principles. All unencumbered appropriations lapse at year-end.

The City uses an encumbrance accounting system to provide budgetary control over City expenditures. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are reported as committed or assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-budgeted and re-encumbered during the subsequent year.

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

On or before June 9 of each year, all divisions of the City submit appropriation requests to the City Controller's office so that a budget may be prepared. The budget is prepared for the entire City by fund, function and activity, and includes information on the past year, current year estimates, and requested appropriation for the next fiscal year.

Prior to the fourth Thursday of August, the Mayor submits to the City Council a proposed budget for the fiscal year commencing October 1. The budget summary includes proposed expenditures and the means of financing them.

A public hearing is conducted to obtain citizen comments.

Prior to October 1, the budget is legally enacted through passage of an appropriation ordinance.

The budget includes the general, special revenue, capital project, and enterprise funds. The level of control (level at which expenditures, including encumbrances, should not exceed budget) is the fund. The legal level of control is the appropriation ordinance.

Any budget transfer within an individual fund by management does not require formal City Council approval. State law does allow the City Council to amend the original appropriation ordinance.

The City did not amend its original budget ordinance.

B. Excess of expenditures over appropriations

For the current fiscal year, expenditures exceeded appropriations in the recreation fund, electric light public purpose fund, and the Golf fund by \$9,220, \$294,352, and \$28,951 respectively. Both the recreation fund and golf fund excess expenditure is attributed to operations and maintenance. These instances of excess expenditures over appropriations were funded by excess revenues or available fund balance in each of the respective funds. Electric light public purpose fund excess expenditure is attributed to managements' decision to move programs previously incorporated in the electric fund.

IV. Detailed notes on all funds

A. Cash and investments

The City maintains a cash and investment pool for use by all funds.

1. Deposits

At September 30, 2015, the carrying amount of the City's deposits was \$45,485,703 and the respective bank balances totaled \$46,549,232. Of the bank balances, \$21,585,735 were insured or collateralized with pooled securities held by the pledging financial institution in the name of the City.

2. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The City's policy is to minimize custodial credit risk by spreading its deposits among various financial institutions in amounts that either collateralized by other investments or are less than the available insurance amount offered by the financial institutions. As of September 30, 2015, some of the City's deposits totaling \$24,963,497 were not covered by federal depository insurance or by collateral held by the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus were exposed to custodial credit risk. As of September 30, 2015, total deposits of \$21,585,735 were insured or collateralized by deposits held by financial institutions and deposits of \$24,963,497 were unsecured and uncollateralized.

3. Custodial Credit Risk – Investments

As of September 30, 2015, some of the City's investments totaling \$65,600,792 were not covered by federal depository insurance or by collateral held of the City's agent or pledging financial institution's trust department or agent in the name of the City, and thus were exposed to custodial credit risk.

4. Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations primarily by investing in shorter-term securities, money market mutual funds, or similar investment pools.

5. Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. It is the City's policy to limit investments to the safest types of securities and to diversify the City's investment portfolio so that potential losses on securities will be minimized. The City follows Idaho statute that outlines qualifying investment options.

6. Investments

The City's investments at September 30, 2015 are summarized below:

		<u>Investment Maturities (in Years)</u>				
Investment Type	Rating	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes		\$10,679,184	-	\$6,525,338	\$4,153,846	-
Corporate Bonds	N/A	23,266,563	1,515,495	20,035,333	1,915,735	-
Commercial Paper	N/A	42,134,228	42,134,228	-	-	-
Total Investments		\$76,079,975	\$43,649,723	\$26,560,671	\$6,069,581	-

Reconciliation of deposits categorization:

Cash and Cash Equivalents reported on the Statement of Net Assets	\$31,950,703
Investments categorized as deposits,	13,535,000
Total deposits categorized	<u>\$45,485,703</u>

Reconciliation of investments categorization:

Investments reported on the Statement of Net Assets	\$89,614,975
Less investments categorized as deposits	(13,535,000)
Total investments categorized	<u>\$76,079,975</u>

B. Receivables

Receivables as of year-end for the City's major funds and nonmajor funds in the aggregate including the applicable allowance for uncollectibles accounts are as follows:

	General	Airport	Water and Sewer	Sanitation	Ambulance	Electric	Nonmajor Funds	Total
Receivables:								
Taxes	\$1,137,995						\$ 767,935	\$ 1,493,827
Accounts		\$128,319	\$2,130,052	\$474,970	\$4,878,020	\$7,008,583		15,251,320
Interest	136,105	11,134	122,108	3,389		186,216	16,942	475,894
Loans							448,324	448,324
Gross receivables	1,274,100	139,453	2,252,160	478,359	4,878,020	7,194,799	1,233,201	17,450,092
Less: allowance for uncollectibles			(442,514)	(98,674)	(3,649,584)	(1,058,068)		(5,248,840)
Net total receivables	\$1,274,100	\$139,453	\$1,809,646	\$379,685	\$1,228,436	\$6,136,731	\$1,233,201	\$12,201,252

C. Capital assets

Capital asset activity for the year ended September 30, 2015 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 15,889,576	\$ 242,037		\$ 16,131,613
Construction in progress	321,086	1,130,088	\$ (321,086)	1,130,088
Total capital assets, not being depreciated	16,210,662	1,321,729	(321,086)	17,261,701
Capital assets, being depreciated:				
Infrastructure	87,689,886	7,970,654		95,660,540
Buildings and improvements	52,725,266	1,831,699		54,556,965
Machinery and equipment	20,772,540	4,128,707	(869,416)	24,031,831
Total capital assets being depreciated	161,187,692	13,931,060	(869,416)	174,249,336
Less accumulated depreciation for:				
Infrastructure	(42,731,248)	(4,302,163)		(47,033,411)
Buildings and improvements	(20,451,786)	(1,378,609)		(21,830,395)
Machinery and equipment	(15,100,130)	(1,166,955)	869,416	(15,397,669)
Total accumulated depreciation	(78,283,164)	(6,847,727)	869,416	(84,261,475)
Total capital assets, being depreciated, net	82,904,528	7,083,334	(0)	89,987,861
Governmental activities capital assets, net	\$ 99,115,190	\$ 8,455,459	\$ (321,086)	\$107,249,562
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,283,927	\$ 50,879		\$ 7,334,806
Construction in progress	26,638,969	14,592,733	\$ (6,838,444)	34,393,258
Total capital assets, not being depreciated	33,922,896	14,522,231	(6,674,895)	41,728,064
Capital assets, being depreciated:				
Buildings and improvements	372,483,900	10,742,377	(1,226,624)	381,999,653
Machinery and equipment	35,227,978	1,599,073	(713,117)	36,113,934
Total capital assets being depreciated	407,711,878	12,299,283	(1,980,595)	418,113,587
Less accumulated depreciation for:				
Buildings and improvements	(203,818,369)	(11,714,892)	786,781	(214,746,480)
Machinery and equipment	(19,013,439)	(1,576,866)	660,108	(19,930,197)
Total accumulated depreciation	(222,831,808)	(13,291,760)	1446,889	(234,676,677)
Total capital assets, being depreciated, net	184,880,070	(992,477)	(533,706)	183,436,910
Business-type activities capital assets, net	\$218,802,966	\$ 13,529,754	\$ (7,208,601)	\$225,164,973

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 691,287
Public safety	541,516
Streets	4,302,163
Culture and recreation	1,211,671
Public works	101,090
Total depreciation expense – governmental activities	<u>\$ 6,847,727</u>
Business-type activities:	
Airport	\$ 2541,885
Water & sewer	4,021,884
Sanitation	460,157
Ambulance	180,799
Electric	6,087,036
Total depreciation expense – business-type activities	<u>\$13,291,761</u>

D. Interfund receivables, payables, and transfers

The interfund balances at September 30, 2015 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 4,005	
Nonmajor funds		\$ 2,575
Airport		343
Water and Sewer		212
Sanitation		35
Ambulance		326
Electric Light		514
Total	<u>\$ 4,005</u>	<u>\$ 4,005</u>

All remaining balances resulted from the time lag between the dates that the reimbursable expenditures occur and payments between funds are made, which is monthly.

Summary of interfund transfers by fund are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General	\$3,969,847	\$ 2,000,000
Airport	628,703	
Water and sewer		853,021
Sanitation		199,851
Electric		3,291,975
Nonmajor funds:		
Governmental funds	2,975,000	1,228,703
	<u>\$7,573,550</u>	<u>\$7,573,550</u>

Transfers are used to (1) move revenues from the fund the statute requires to collect them in to the fund the budget requires to expend them in, and (2) move in-lieu tax payments from the water and sewer, sanitation and electric funds to the general fund.

E. Long-term debt

1. Business-type activities

State of Idaho note. The City entered into a loan agreement with the State of Idaho as authorized by Title 39, Chapter 36, Idaho Code from the Wastewater Treatment Facility Loan Account. This loan is to assist the City in the design and construction of improvements of the wastewater treatment facility. The authorized amount is \$18,150,000 with an interest rate of 1.75% (interest of 0.75% and loan fee of 1.00%) to be repaid in biannual installments over 20 years. Annual debt service is unknown until the project is complete and the final draw on the loan has been made. Currently the City has drawn \$17,242,500 of the available \$18,150,000.

Changes in long-term liabilities. The following is a summary of changes in long-term obligations of the City at September 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Other long-term debt obligations:					
Compensated absences	\$ 4,804,076	\$ 2,738,233	\$(2,376,545)	\$ 5,165,764	\$ 3,517,911
Other postemployment benefits	357,542	34,435	(391,977)		
Governmental activity					
Long-term liabilities	<u>\$ 5,161,618</u>	<u>\$ 2,772,668</u>	<u>\$(2,768,522)</u>	<u>\$ 5,165,764</u>	<u>\$ 3,517,911</u>
Business-type activities:					
Bonds-notes payable:					
General obligation bonds:					
Electric series 1991	\$ 728,860		\$ (728,860)		
Electric series 1991- Zero coupon interest	2,930,365		(2,930,365)		
State of Idaho DEQ note:					
Loan number WW102	17,242,500			17,242,500	
Total bonds payable	20,901,725		(3,659,225)	17,242,500	
Compensated absences	2,438,014	1,002,486	(1,026,635)	2,413,865	1,966,665
Other postemployment benefits	134,156	9,408	(155,940)	12,376	
Business-type activity					
Long-term liabilities	<u>\$23,473,895</u>	<u>\$1,011,894</u>	<u>\$(4,841,800)</u>	<u>\$19,668,741</u>	<u>\$ 1,628,860</u>

All compensated absences are liquidated by the fund in which it was incurred. The following governmental funds were used to liquidate the liability for compensated absences and other postemployment benefits, general, street, recreation, library, and golf funds.

F. Fund Balances

Fund balance is classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

Nonspendable fund balance – amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants), grantor and contributors, or laws, or regulations of other governments, or through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government's highest level of decision making authority. In the case of the City it is by Council action in the form of a resolution.

Assigned fund balance – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Council has delegated and assigned the authority to the Municipal Services director to assign amounts and adjustments.

Unassigned fund balance – amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental funds, it may be necessary to report a negative residual balance as unassigned.

The City considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, within unrestricted fund balance, the City considers that committed are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Detail of constraints on fund balances of governmental funds:

	General Fund	Special Revenue Funds	Capital Project Funds	Total
Fund Balances:				
Nonspendable:				
Inventory	\$ 628,914	\$ 157,802		\$ 786,716
Restricted for:				
Conservation loans		1,086,961		1,086,961
Committed to:				
Culture and recreation improvements	1,059,117	118,985	\$ 199,334	1,377,436
Street and bridges		141,350	979,458	1,120,808
Building construction	144,428			144,428
Operations and maintenance	90,396			90,396
Assigned to:				
Insurance and benefits	2,472,573			2,472,573
Equipment replacement	4,765,660	3,257,142		8,022,802
Street and municipal projects			1,307,751	1,307,751
Culture and recreation		1,179,055	70,251	1,249,306
Operations and maintenance	1,100,715			1,100,715
Business district		77,876		77,876
Conservation program		1,240,152		1,240,152
Unassigned:	12,715,168	(2,392,419)	(467,809)	9,854,940
Total fund balances	\$22,976,971	\$4,866,904	\$2,088,985	\$29,932,860

Minimum fund balance policy – The Council has established a minimum fund balance guideline for the general fund. As a general practice the City will strive to maintain total general fund discretionary unassigned fund balance equal to 25% or above of general fund expenditures for the last ended fiscal year. It is recognized by the Council that adequate unassigned fund balance is needed to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. Fund balance levels are a crucial consideration, too, in long-term financial planning. Fund balance, created as a result of actual revenue and expenditure deviations from the budget will be used to achieve and maintain the City's minimum fund balance goals and to meet the next year's budget expenditure requirements.

G. Prior Period Adjustment

Below is a summary of the balances on the statement of net position affected by the prior period adjustment:

	Governmental Activities		
	Previously Reported	Change	Restated
Deferred outflows of resources - basic plan	\$ -	\$ 1,173,797	\$ 1,173,797
Deferred outflows of resources - FRF	-	218,654	218,654
Deferred inflows of resources - basic plan	-	9,095,755	9,095,755
Deferred inflows of resources - FRF	-	1,938,949	1,938,949
Net pension asset	-	3,116,856	3,116,856
Net pension liability	-	6,608,032	6,608,032
Net position	125,188,671	(13,133,429)	112,055,242

	Business-Type Activities - Airport Fund		
	Previously Reported	Change	Restated
Deferred outflows of resources	\$ -	\$ 32,270	\$ 32,270
Deferred inflows of resources	-	250,107	250,107
Net pension liability	-	181,609	181,609
Net position	43,400,247	(399,446)	43,000,801

	Business-Type Activities - Water & Sewer Fund		
	Previously Reported	Change	Restated
Deferred outflows of resources	\$ -	\$ 124,361	\$ 124,361
Deferred inflows of resources	-	963,852	963,852
Net pension liability	-	699,879	699,879
Net position	105,245,338	(1,539,370)	103,705,968

Business-Type Activities - Sanitation Fund

	<u>Previously Reported</u>	<u>Change</u>	<u>Restated</u>
Deferred outflows of resources	\$ -	\$ 58,889	\$ 58,889
Deferred inflows of resources	-	456,419	456,419
Net pension liability	-	331,418	331,418
Net position	4,145,980	(728,948)	3,417,032

Business-Type Activities - Ambulance Fund

	<u>Previously Reported</u>	<u>Change</u>	<u>Restated</u>
Deferred outflows of resources - basic	\$ -	\$ 102,570	\$ 102,570
Deferred outflows of resources - FRF	-	84,813	84,813
Deferred inflows of resources - basic	-	794,959	794,959
Deferred inflows of resources - FRF	-	752,087	752,087
Net pension asset	-	1,208,979	1,208,979
Net pension liability	-	577,243	577,243
Net position	1,992,758	(727,927)	1,264,831

Business-Type Activities - Electric Fund

	<u>Previously Reported</u>	<u>Change</u>	<u>Restated</u>
Deferred outflows of resources	\$ -	\$ 255,630	\$ 255,630
Deferred inflows of resources	-	1,980,957	1,980,957
Net pension liability	-	1,439,000	1,439,000
Net position	142,523,033	(3,164,327)	139,358,706

In the year ended September 30, 2015, the City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures related to defined benefit pension plans.

V. Other information

A. Risk management

The City is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omission, injuries to employees, and natural disasters. The City uses public entity commercial insurance contracts to transfer risk of loss to insurance providers.

Major insurance contracts at October 1, 2015 were as follows:

<u>Type of Coverage</u>	<u>Coverage Amounts</u>	<u>Deductible</u>
Property and equipment	\$248,559,668	\$ 2,500
General liability, per occurrence	500,000	
General liability, aggregate	3,000,000	N/A
Employee benefits, liability	500,000	
Automobile, liability	500,000	
Automobile, comprehensive	500,000	2,500
Automobile, collision	500,000	2,500
Errors and omissions-public officials	500,000	
Law enforcement, liability	500,000	
Crime, liability	500,000	
Boiler and machinery, per occurrence	100,000	2,500
Airport, liability	50,000,000	
Cyber, liability	1,000,000	2,500
Aggregate-sections of general liability, auto liability, errors and omissions, chemical spraying, and endorsements	5,000,000	
Hydro-generation facility:		
Property and boiler and machinery	100,000,000	250,000

Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There has not been a significant reduction in insurance coverage in the past fiscal year.

B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. Pension Plan

Plan Description

The City contributes to the Base Plan and FRF, which are cost-sharing multiple-employer defined benefit pension plans administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plans. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan and FRF is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Employee membership data related to the System, as of June 30, 2015, was as follows:

	Base Plan	FRF
Retirees and beneficiaries currently receiving benefits	42,657	2
Terminated employees entitled to but not yet receiving benefits	11,859	-
Active plan members	67,008	535
	<u>121,524</u>	<u>537</u>

Pension Benefits

The Base Plan and FRF provide retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointment officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan and FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan and FRF are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The total FRF employer contribution rate through December 31, 2014 was 37.55%. This includes the employer excess rate of 25.89% plus the PERSI class 2 firefighters rate of 11.66%. As of January 1, 2015, the total employer rate was reduced to 25.31% which includes the lower employer excess rate of 13.65% plus the PERSI class 2 firefighters rate of 11.66%. The FRF member rate for the year for class B is 11.45% which is 3.09% above the class 2 rate of 8.36%. The City's contributions to FRF were \$673,565 for the year ended September 30, 2015.

The contribution rates for employees covered under the Base Plan are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2015, the employee contribution rate was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters of covered compensation. The City's contributions required and paid to the Base Plan were \$4,256,266 for the year ended September 30, 2015.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the City reported a liability for its proportionate share of the net pension liability of the Base Plan and an asset for its proportionate share of the net pension asset of FRF. The net pension asset of FRF and net pension liability of the Base Plan were measured as of July 1, 2015, and the total pension liability used to calculate the net pension asset/liability were determined by an actuarial valuation as of that date. The City's proportion of the net pension liability of the Base Plan was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2015, the City's proportion was 1.33 percent. The City's proportion of the net pension asset of FRF was based on the City's share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At July 1, 2015, the City's proportion was 11.40 percent.

For the year ended September 30, 2015, the City recognized pension expense (revenue) of \$(4,486,940).

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the Base Plan pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,427,499	\$ 2,093,643
Changes in assumptions or other inputs	636,037	-
Net difference between projected and actual earnings on pension plan investments	-	9,171,343
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	169,296
Employer contributions subsequent to the measurement date	979,745	-
Total	<u>\$ 8,043,281</u>	<u>\$ 11,434,282</u>

\$979,745 reported as deferred outflows of resources related to Base Plan pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2015, the beginning of the measurement period ended June 30, 2015, is 5.6 years.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the FRF pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,399,009	\$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,008,843
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	7,640	-
Employer contributions subsequent to the measurement date	95,116	-
Total	<u>\$ 1,501,765</u>	<u>\$ 2,008,843</u>

\$95,116 reported as deferred outflows of resources related to FRF pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2014, the beginning of the measurement period ended June 30, 2015, is 1 year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

<u>Fiscal Year</u>	<u>Base Plan</u>	<u>FRF</u>
2016	\$ (1,821,742)	\$ (312,222)
2017	(1,821,742)	(319,862)
2018	(1,821,742)	(319,862)
2019	1,270,090	349,752
2020	(157,469)	-
2021	(18,141)	-

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322. Idaho Code, is 25 years. Unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the FRF assets. Currently FRF assets exceed this actuarial present value; therefore, there is not an unfunded liability to amortize at this time. The maximum amortization period for FRF permitted under Section 59-1394. Idaho Code, is 50 years.

The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Base Plan</u>	<u>FRF</u>
Inflation	3.25%	3.25%
Salary increases	4.25 - 10.25%	3.75%
Salary inflation	3.75%	3.75%
Investment rate of return	7.10% *	7.10% *
Cost-of-living adjustments	1.00%	3.75%

*net of investment expenses

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total

Pension Liability (Asset) as of June 30, 2015 is based on the results of an actuarial valuation date of July 1, 2015.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2014.

Asset Class	Index	Target Allocation	Expected Real Rate of Return*
Core Fixed Income	Barclays Aggregate	30.00%	0.80%
Broad US Equities	Wilshire 5000/Russell 3000	55.00%	6.90%
Developed Foreign Equities	MSCI EAFE	15.00%	7.55%
Assumed Inflation - Mean			3.25%
Assumed Inflation - Standard Deviation			2.00%
Portfolio Arithmetic Mean Return			8.42%
Portfolio Long-Term Expected Rate of Return			7.50%
Assumed Investment Expenses			0.40%
Long-Term Expected Rate of Return, Net of Investment Expenses			<u>7.10%</u>

*Arithmetic return

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	Base Plan		
	1% Decrease	Current	1% Increase
	✓ (6.10%)	✓ Discount Rate (7.10%)	✓ (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ 42,537,687	\$ 17,464,709	\$ (3,380,146)
	FRF		
	1% Decrease	Current	1% Increase
	✓ (6.10%)	✓ Discount Rate (7.10%)	✓ (8.10%)
Employer's proportionate share of the net pension liability (asset)	\$ (2,381,299)	\$ (6,156,281)	\$ (9,338,275)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

D. Postretirement health care benefits

The City makes available a single-employer postretirement health insurance through Blue Cross of Idaho that is separate from the active employees' health insurance, which is also with Blue Cross of Idaho, in accordance with a City resolution to City employees who retire under PERSI from the City before attaining age 65.

Currently, the City pays \$100 toward each retiree's monthly insurance premium. The retiree pays the balance and all future increases until the retiree reaches age 65 or at the expiration of ten years from the date of retirement, whichever comes first. The City Council may decrease or increase premium contributions of future retirees. However, in no event shall the City decrease the City's premium contribution below the contribution in effect at the time the employee retires.

On September 30, 2015 there were 9 retirees who met the eligibility requirements and participated in the insurance program. Expenditures for postretirement health insurance are recognized on a pay-as-you-go basis. During the year, expenditures of \$7,800 were recognized for postretirement health insurance. Projected future insurance costs for the current retirees are \$20,500.

The City also contributes to the retiree's monthly insurance premium with a subsidy of 1.68% of total active employee's insurance premium. The Council terminated this benefit as of October 1, 2014.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially-determined amounts regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations are based on the types of benefits provided under the terms of the plan and on the pattern of shared costs between the employer and plan members, at the time of each valuation. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions are as follows:

Valuation date	July 1, 2013
Actuarial cost method	Projected Unit Credit (PUC)
Amortization method	Open or rolling 2-year, level % of pay
Amortization period	2 years
Discount rate	3.45%
Implied Inflation Rate (CPI)	3.00%
Health care cost trend rates - medical:	There is no trend on the \$100 per retiree per month benefit or on the remainder of the 1.68% subsidy benefit.
Growth in membership	0.00%
Mortality	Basis - RP-2000 Combined Mortality, with generational adjustments
Probability of enrollment upon retirement	75% Electric 40% Non-Electric
Salary increase	3.50%

The table below summarizes the City's annual cost, actual contributions to the plan, and changes in the net OPEB obligation for fiscal year ended September 30, 2014. These calculations are based on the Actuarial Valuation Date of July 1, 2013:

Annual Required Contributions	\$ 43,843
Interest on Net OPEB Obligation	15,368
Adjustment to Annual Required Contributions	(491,698)
Annual OPEB Expense	(432,487)
Actual Contributions (employer-paid benefits)	(46,835)
Increase in Net OPEB Obligation	(479,322)
Net OPEB Obligation – Beginning of Year	491,698
Net OPEB Obligation – End of Year	<u>\$ 12,376</u>

The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits, and is as follows:

Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered		UAAL As a Percentage of Covered Payroll
					Electric	Payroll Non-Electric	
July 1, 2009	\$ -	\$2,217,868	\$2,217,868	0%	\$5,030,850	\$28,072,794	7%
July 1, 2011	\$ -	\$3,013,559	\$3,013,559	0%	\$4,917,612	\$29,102,255	9%
July 1, 2013	\$ -	\$ 456,421	\$ 456,421	0%	\$5,212,195	\$30,430,756	1%

Schedule of three year trend information follows:

Fiscal Year Ending	Annual OPEB Expense (AOE)	Actual Contributions		Actual Contributions as a Percentage of AOE*	Net OPEB Obligation/ (Asset) at End of Year **
		Electric	Non-Electric		
September 30, 2013	310,717	17,946	165,152	59%	445,435
September 30, 2014	238,426	10,100	182,063	81%	491,698
September 30, 2015	(432,487)	9,033	37,802	-11%	12,376

*Equals actual incurred claims plus administration less retiree contributions as a percentage of AOE.

**Equals prior year Net OPEB obligation plus current year AOE less actual current year contributions.

E. Idaho Falls Redevelopment Agency

1. Reporting entity

The component unit column in the combined financial statements includes the financial data of the Idaho Falls Redevelopment Agency (Agency), the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City in accordance with state urban renewal law. The Agency has authority to construct public improvements including the acquisition of public right-a-way within the blighted area legally designated as the redevelopment district. The Mayor appoints the seven-member governing board. The Agency derives its funding from tax increment financing. The Agency is authorized under the provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code).

2. Summary of significant accounting policies

The Agency uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

3. Deposits and investments

At September 30, 2015, the carrying amount of the Agency's deposits was \$214,489 and the respective bank balances totaled \$214,489. All of the bank balances were insured or collateralized with pooled securities held by the pledging financial institutions in the name of the Agency.

The Agency has elected to invest in the State Investment Pool through the Idaho State Treasurer. The value of the Agency's investments was \$7,671,770.

4. Capital assets

Capital assets such as streets, street improvements, water, sewer, and other capital improvements, which the Agency pays for, are ultimately donated to the City. During the current fiscal year, the Agency completed costs related to certain owner participation agreements and the demolition and reconstruction of parking projects. Current costs of \$1,517,600 were transferred to the City.

5. Long-term debt

The Agency signed a \$4,042,000 Participant Limited Recourse Promissory Note, Series 2004 on November 15, 2004. The note matures on December 31, 2018, and the interest rate is 5.0%.

The Agency signed a \$6,906,310 Participant Limited Recourse Promissory Note, Series 2008 on July 17, 2008. The note matures on December 31, 2029, and the interest rate is 6.25%. On January 16, 2009 the Agency approved an amendment and restatement of this note to include an additional \$1,946,292 for a total note balance of \$8,812,602. All other terms remained the same.

The Agency signed a \$250,000 Limited Resource Promissory Note, Series 2015 in December 2014 with BV Lending, LLC. The Note Matures on December 31, 2029, and the interest rate is 4.5%. The Agency signed a \$365,000 Limited Resource Promissory Note, Series 2015 in December 2014 with Brandon River, LLC. The Note Matures on December 31, 2029, and the interest rate is 4.5%.

The above notes are not callable, unless in default, and are not subject to prepayment penalty if redeemed. The Agency has agreed to pay the note holder 75% of the tax increment monies which the Agency receives after deductions for the school credit, as set forth in the law, commencing upon receipt of tax increment monies received from the sites (as defined in the OPA's) until the principal is retired, whichever occurs first. The Agency's obligation to the note holders shall only be to pay above-described percentages or the amount of tax increment monies received by the Agency, notwithstanding said amount may be reduced, curtailed, or limited in any way, and there shall be no compounding of interest or amounts added to the principal in the event the tax increment monies are reduced, curtailed or limited in any way.

Because the tax increment monies to be received subsequent to this contract cannot be reasonably estimated, debt service requirements through the next five years have not been disclosed.

6. Changes in long-term debt

A summary of the changes in long-term obligations of the Agency at September 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance
Promissory note 2004	\$ 3,044,962		\$(155,700)	\$ 2,889,962
Promissory note 2008	8,812,602			8,812,602
Promissory note 2015		\$ 250,000		250,000
Promissory note 2015		365,000	(1,193)	363,807
Total notes payable	<u>\$11,857,564</u>	<u>\$ 615,000</u>	<u>\$(156,893)</u>	<u>\$12,315,671</u>

7. Budget

The Agency did prepare a budget for the special revenue funds.

F. Budgetary basis of accounting

While the City reports financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budget, however, is based upon accounting for certain transactions on a modified basis of accounting. The Statement of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Basis – Budget and Actual, presented for each major governmental fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Entity differences. Certain funds not included in the annual budgetary statements but which have the characteristics of governmental funds are presented in the General Fund for GAAP purposes.

Basis differences. Budgetary funds are accounted for on the cash basis of accounting, while under GAAP the governmental funds use the modified accrual basis. Accrued revenues and expenditures are recognized in the GAAP financial statements.

The following table summarizes the adjustment necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance <u>General Fund</u>	
Fund balance (budgetary basis)	<u>\$23,927,601</u>
Reconciling adjustments:	
Entity differences:	
Municipal equipment replacement fund reporting:	
Revenues	85,649
Expenditures	(1,995,561)
Transfers out	<u>1,057,231</u>
Basis differences:	
Tax receivable	(76,483)
Accrued interest	(59,983)
State shared revenue receivable	291,620
Prepays	9,758
Deposits	18,639
Accounts payable	(342,154)
Unearned revenue	<u>(92,31)</u>
Fund balance (GAAP basis)	<u>\$22,976,971</u>

G. Commitments

The City has several active construction projects and/or major encumbrances as of September 30, 2015. The projects include airport improvements, street engineering and reconstruction, replacing old sections of water and sewer line, software acquisition, design of fire station, signage, and upgrades to the sewer treatment plant.

At year-end the City's commitments with contractors are as follows:

<u>Projects</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
Wastewater treatment plant upgrade	\$21,294,395	\$ 170,655
Software acquisition	1,197,402	1,836,203
Airport improvements	2,306,401	334,191
Fire station design	37,092	159,427
Signage	131,893	17,606
Sewer and water improvements	336,633	12,420
Street and bridge improvements	3,467,115	770,836

The airport improvements are being financed 93.75% by the Federal Aviation Administration and 6.25% by the airport. All the other projects are being financed by charges for services and fund balances.

Encumbrances. As discussed in note III.A., Budgetary information, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 2,240,442
Nonmajor governmental funds	4,661,102
Airport fund	437,775
Water and sewer fund	1,412,927
Sanitation fund	464,683
Ambulance fund	434,936
Electric fund	5,334,832
Total	<u>\$14,986,697</u>

The City has entered into the following agreements for power:

Bonneville Power Administration (BPA) – Effective October 1, 2011, the City entered into a Block and Slice Power Sales Agreement with the Bonneville Power Administration (BPA). The provisions of this agreement establishes the terms under which the City is committed to purchase power for a period of 17 years. The cost of the power from this contract is determined through this formal and statutorily required rate setting procedure every two years by the Bonneville Power Administration. It is impossible for the City's management to know the outcome of these future rate proceedings and therefore the future price of the power from this contract.

In addition, the Slice portion of the agreement includes a true up provision that allows BPA to recover Slice costs not previously recovered during the fiscal year along with provisions to true up accounting errors up to five years in arrears. BPA assesses this true up on an annual basis subsequent to year-end. The true up is generally settled in December for the previous fiscal year. The Slice portion of the agreement commits the City to purchase a fixed percentage of BPA generation which will vary in total quantity from year to year depending on overall snowpack and runoff conditions into the BPA hydro generation system. This can result in surplus power that the City can sell on the open market. These natural variances in hydrological conditions can also result in shortages of power that would result in the City purchasing power from the market during low snowpack/runoff situations.

Bulb Turbine Project – Effective October 1, 2011, the City entered into a 10-year power sales agreement to sell the entire output of the bulb turbine project to BPA. The rate is based on an energy market index with a cap and a floor price. For the years ended September 30, 2015 and 2014, the City's power sales to BPA under this agreement were \$4,344,794 and \$4,578,579, respectively. There can be substantial fluctuations from period to period in market prices that determine the index pricing mechanism of this sales agreement. Along with the fluctuations in market prices that the City receives from the project, there is also substantial variation in generation from year to year due to varying hydrological conditions in the Upper Snake River Basin which supplies the water for the projects.

Part of the power sales agreement is the output of two 1940's vintage generation units that were originally slated for retirement upon the completion of the bulb turbine project. In exceptionally high water conditions, these two older units were still being used to augment the bulb turbine project for added generation in the spring months. During the summer of 2011, one unit experienced an electrical failure that could result in final retirement of both units depending upon the cost value analysis for repair/replacement. Management is currently investigating whether to rehabilitate the generation facility. The value these older units generated towards the overall bulb turbine project's power sale agreement was generally between 0% and up to 2% of the total project revenue. Management does

not view this as having a material impact or loss to the generation fleet nor to the finances of the overall bulb turbine project.

Gem State Project – The City has a power sales contract and ground lease agreement with PacifiCorp, formerly Utah Power & Light Company, for the gem state project. Under the power sales contract, PacifiCorp is entitled to a maximum of 39% of the energy to be produced from the gem state project through 2023. PacifiCorp is required to pay annual amounts equal to its entitlement percentage rate times (1) the variable costs of operating and maintaining the gem state project and (2) the agreed-upon fixed capital cost, plus (3) 5% of the amounts set forth in (1) and (2). For the years ended September 30, 2015 and 2014, PacifiCorp payments under this agreement were \$3,012,243 and \$2,961,443, respectively. The City may, with three years notice, reduce the PacifiCorp entitlement to 25%.

Utah Associated Municipal Power Systems (UAMPS) – Effective October 1, 1996, the City entered into a contract with UAMPS whereby the City may purchase additional energy requirements not met by BPA and Gem State from UAMPS. Planned purchases and sales to and from UAMPS are based on either market price at MONA, cost of the resource, or a mix thereof. Unplanned purchases and sales to and from UAMPS are based upon a market proxy for the appropriate period. UAMPS passes along fees for transmission service based upon PacifiCorp's actual transmission costs incurred by UAMPS for power deliveries. For the years ended September 30, 2015 and 2014, power purchases plus transmission expenses from UAMPS were \$3,303,930 and \$3,993,786, respectively. The contract also allows for the City to sell surplus energy to UAMPS. For the years ended September 30, 2015 and 2014, power sales to UAMPS were \$1,234,065 and \$768,398, respectively.

Horse Butte Wind Project – Horse butte wind project is a wind generation facility that was constructed east of the City of Idaho Falls. This is a joint ownership project within the UAMPS organization with other UAMPS members participating as owners. The project attained commercial operation on August 15, 2012, with a total generating capacity of fifty-six (56) megawatts of which the City is obligated to purchase through a power purchase agreement three (3) megawatts of this capacity. Ownership in this project also obligates IFP to this same percentage of operating expenses which are conveyed through the power purchase agreement. Under this power purchase agreement there is no guaranteed of firm energy delivery. Project costs are not linked to energy production and can vary greatly depending upon wind conditions, plant outages (planned and unplanned) along with unforeseen environmental/biological risks that might require the facility to limit or cease energy production.

Renewable Energy Credits (REC's) – The City receives an entitlement share of renewable energy credits (REC's) from qualifying facilities in BPA's system from which the City purchases energy through the Block/Slice Power Sales Agreement. Horse Butte Wind Project also creates REC's which are transferred through the power purchase agreement to the City. The City will enter into sales of REC's from time to time with retail customers within our service territory along with wholesale customers not located within our service territory. In the event that retail customer demand is greater than inherent production, the City will purchase supplemental REC's from various counterparties. For the year ended September 30, 2015, the City purchased \$26,832 supplemental REC's from UAMPS and sold \$40,500 REC's to various retail customers within its service territory.

Litigation – The City is subject to legal proceedings and claims that arise in the ordinary course of business. In the opinion of the City's management, the ultimate liability with respect to these proceedings and claims will not have a material adverse effect on the City's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

City of Idaho Falls, Idaho
Schedule of Employer's Share of Net Pension Liability
PERSI Base Plan and FRF – Last 10 Fiscal Years

	2015	
	Base Plan	FRF
Employer's Portion of net the pension liability	1.326%	11.398%
Employer's proportionate share of the net pension liability (asset)	\$ 17,464,709	\$ (6,156,281)
Employer's covered-employee payroll	\$ 37,181,721	\$ 7,607,246
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	46.97%	-80.93%
Plan fiduciary net position as a percentage of the total pension liability (asset)	91.38%	118.08%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of June 30, 2015 (measurement date).

City of Idaho Falls, Idaho
Schedule of Employer Contributions
PERSI Base Plan and FRF – Last 10 Fiscal Years

	2015	
	Base Plan	FRF
Statutorily required contribution	\$ 4,338,228	\$ -
Contributions in relation to the statutorily required contribution	4,256,266	673,565
Contribution (deficiency) excess	(81,962)	673,565
Employer's covered-employee payroll	37,181,721	7,607,246
Contributions as a percentage of covered-employee payroll	11.45%	8.85%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of September 30, 2015.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

**City of Idaho Falls, Idaho
Combining Statements
Nonmajor Governmental Funds**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects. The City's nonmajor special revenue funds are as follows:

Street Fund – to account for the operation of the street maintenance department. Financing is provided by state gasoline taxes and state revenue sharing. State law requires that gasoline tax revenue be used to maintain roads and streets.

Recreation Fund – to account for the operation of City-run recreation programs. Property taxes and user fees provide financing. The City restricts these revenues to finance recreation programs.

Library Fund – to account for the operation of the Public Library. Financing is provided principally through property taxes, which are restricted for library operations.

Airport Passenger Facility Charge Fund – to account for the accumulation of cash, which is set aside to purchase specific assets or pay debt service in the airport Fund.

Golf Fund – to account for the operation of the three public owned golf courses; Pinecrest, Sandcreek, and Sage Lakes. User fees provide financing. The City restricts these revenues to finance golf maintenance and operations.

Electric Light Public Purpose Fund – to account for the accumulation of cash which is set aside for the specific purpose of conserving electrical energy.

Business Improvement District Fund – to account for the accumulation of cash which is set aside for specific purposes of the business improvement district.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The City's nonmajor capital improvement funds are as follows:

Municipal Capital Improvement Fund – to account for the acquisition and construction of capital assets (including infrastructure). Revenues are derived from property taxes.

Street Capital Improvement Fund – to account for funds received from the State of Idaho which are held for large future street projects.

Bridge and Arterial Street Fund – to account for the construction of bridges and parts of streets which are the responsibility of the City. Revenues are derived from the payment of bridge and arterial street fees.

Surface Drainage Fund – to account for the design, development and construction of drainage interceptors, treatment and/or disposal facilities. Revenues are derived from developer fees.

Traffic Light Capital Improvement Fund – to account for the design and construction of traffic lights. Revenues are derived from in-lieu-of tax payments from the electric light fund.

Parks Capital Improvement Fund – to account for the acquisition and construction of parks and recreational capital assets. Revenues are derived from surcharges and sale of assets.

City of Idaho Falls
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	Special Revenue		
	Street	Recreation	Library
ASSETS			
Cash and cash equivalents	\$ (2,215,908)	\$ 194,277	\$ 585,729
Investments	1,767,895	170,735	723,658
Taxes receivable	-	22,683	81,996
Interest receivable	-	968	3,389
Loans receivable	-	-	-
Due from other governments	916,705	-	26,599
Inventory	-	-	-
Total assets	<u>\$ 468,692</u>	<u>\$ 388,663</u>	<u>\$ 1,421,371</u>
LIABILITIES			
Accounts payable	\$ 386,468	\$ 110,538	\$ 152,620
Contracts payable	10,000	-	-
Accrued wages	49,567	24,577	53,936
Due to other funds	117	870	1,010
Security Deposits	-	-	3,122
Total liabilities	<u>446,152</u>	<u>135,985</u>	<u>210,688</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	20,104	60,312
Total deferred inflows of resources	<u>-</u>	<u>20,104</u>	<u>60,312</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	141,350	118,985	-
Assigned	2,116,185	141,673	1,150,371
Unassigned	(2,234,995)	(28,084)	-
Total fund balances	<u>22,540</u>	<u>232,574</u>	<u>1,150,371</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 468,692</u>	<u>\$ 388,663</u>	<u>\$ 1,421,371</u>

Special Revenue					
Airport Passenger Facility	Electric Light Public Purpose	Business Improvement District	Golf	Total	
\$ -	\$ 525,238	\$ 77,876	\$ 158,809	\$ (673,979)	
-	1,200,000	-	858,781	4,721,069	
-	631,376	-	-	736,055	
-	7,261	-	-	11,618	
-	448,324	-	-	448,324	
-	-	-	-	943,304	
-	-	-	157,802	157,802	
\$ -	\$ 2,812,199	\$ 77,876	\$ 1,175,392	\$ 6,344,193	
\$ -	\$ 485,086	\$ -	\$ 17,292	\$ 1,152,004	
-	-	-	-	10,000	
-	-	-	52,984	181,064	
			578	2,575	
-	-	-	48,108	51,230	
-	485,086	-	118,962	1,396,873	
-	-	-	-	80,416	
-	-	-	-	80,416	
-	-	-	157,802	157,802	
-	1,086,961	-	-	1,086,961	
-	-	-	-	260,335	
-	1,240,152	77,876	1,027,968	5,754,225	
-	-	-	(129,340)	(2,392,419)	
-	2,327,113	77,876	1,056,430	4,866,904	
\$ -	\$ 2,812,199	\$ 77,876	\$ 1,175,392	\$ 6,344,193	

City of Idaho Falls
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	Capital Projects		
	Municipal Capital Improvement	Street Capital Improvement	Bridge and Arterial Street
ASSETS			
Cash and cash equivalents	\$ 319,257	\$ 141,199	\$ 104,799
Investments	100,000	200,000	-
Taxes receivable	31,880	-	-
Interest receivable	484	968	-
Loans receivable	-	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Total assets	<u>\$ 451,621</u>	<u>\$ 342,167</u>	<u>\$ 104,799</u>
LIABILITIES			
Accounts payable	\$ -	\$ 150,292	\$ -
Contracts payable	-	-	-
Accrued wages	-	-	-
Due to other funds	-	-	-
Security deposits	-	-	-
Total liabilities	<u>-</u>	<u>150,292</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	30,156	-	-
Total deferred inflows of resources	<u>30,156</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	357,035	659,684	-
Assigned	64,430	-	104,799
Unassigned	-	(467,809)	-
Total fund balances	<u>421,465</u>	<u>191,875</u>	<u>104,799</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 451,621</u>	<u>\$ 342,167</u>	<u>\$ 104,799</u>

Capital Projects					
Surface Drainage	Traffic Light Capital Improvement	Parks Capital Improvement	Total	Total Nonmajor Governmental Funds	
\$ 71,945	\$ 736,138	\$ 70,251	\$ 1,443,589	\$ 769,610	
-	500,000	-	800,000	5,521,069	
-	-	-	31,880	767,935	
-	3,872	-	5,324	16,942	
-	-	-	-	448,324	
-	-	-	-	943,304	
-	-	-	-	157,802	
<u>\$ 71,945</u>	<u>\$ 1,240,010</u>	<u>\$ 70,251</u>	<u>\$ 2,280,793</u>	<u>\$ 8,624,986</u>	
\$ -	\$ 11,360	\$ -	\$ 161,652	\$ 1,313,656	
-	-	-	-	10,000	
-	-	-	-	181,064	
-	-	-	-	2,575	
-	-	-	-	51,230	
<u>-</u>	<u>11,360</u>	<u>-</u>	<u>161,652</u>	<u>1,558,525</u>	
-	-	-	30,156	110,572	
-	-	-	30,156	110,572	
-	-	-	-	157,802	
-	-	-	-	1,086,961	
-	162,073	-	1,178,792	1,439,127	
71,945	1,066,577	70,251	1,378,002	7,132,227	
-	-	-	(467,809)	(2,860,228)	
<u>71,945</u>	<u>1,228,650</u>	<u>70,251</u>	<u>2,088,985</u>	<u>6,955,889</u>	
<u>\$ 71,945</u>	<u>\$ 1,240,010</u>	<u>\$ 70,251</u>	<u>\$ 2,280,793</u>	<u>\$ 8,624,986</u>	

City of Idaho Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2015

	Special Revenue		
	Street	Recreation	Library
REVENUES			
Taxes	\$ -	\$ 495,801	\$ 1,775,684
Intergovernmental	3,389,603	-	961,526
Charges for services	-	936,016	6,946
Fines	-	-	82,525
Miscellaneous	21,820	68,215	41,422
Total revenues	3,411,423	1,500,032	2,868,103
EXPENDITURES			
Current:			
General government	-	-	-
Streets	4,377,804	-	-
Culture & recreation	-	1,679,387	2,688,088
Capital outlay	-	-	-
Total expenditures	4,377,804	1,679,387	2,688,088
Excess (deficiency) of revenues over (under) expenditures	(966,381)	(179,355)	180,015
OTHER FINANCING SOURCES (USES)			
Transfers in	1,000,000	-	-
Transfers out	-	-	-
Total other financing sources and (uses)	1,000,000	-	-
Net change in fund balances	33,619	(179,355)	180,015
Fund balances - beginning	(11,079)	411,929	970,356
Fund balances - ending	\$ 22,540	\$ 232,574	\$ 1,150,371

Special Revenue					
Airport Passenger Facility	Electric Light Public Purpose	Business Improvement District	Golf	Total	
\$ -	\$ -	\$ -	\$ -	\$ 2,271,485	
-	-	-	-	4,351,129	
628,703	-	-	2,677,072	4,248,737	
-	-	-	-	82,525	
-	1,172,180	42,497	14,068	1,360,202	
628,703	1,172,180	42,497	2,691,140	12,314,078	
-	959,355	46,163	-	1,005,518	
-	-	-	-	4,377,804	
-	-	-	2,515,041	6,882,516	
-	-	-	-	-	
-	959,355	46,163	2,515,041	12,265,838	
628,703	212,825	(3,666)	176,099	48,240	
-	-	-	-	1,000,000	
(628,703)	-	-	-	(628,703)	
(628,703)	-	-	-	371,297	
-	212,825	(3,666)	176,099	419,537	
-	2,114,288	81,542	880,331	4,447,367	
\$ -	\$ 2,327,113	\$ 77,876	\$ 1,056,430	\$ 4,866,904	

City of Idaho Falls
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2015

	Capital Projects		
	Municipal Capital Improvement	Street Capital Improvement	Bridge and Arterial Street
REVENUES			
Taxes	\$ 712,588	\$ -	\$ -
Intergovernmental	-	1,692,366	-
Charges for services	-	146,759	82,636
Fines	-	-	-
Miscellaneous	780	1,689	-
Total revenues	713,368	1,840,814	82,636
EXPENDITURES			
Current:			
General government	-	-	-
Streets	-	-	-
Culture & recreation	-	-	-
Capital outlay	39,549	3,155,475	-
Total expenditures	39,549	3,155,475	-
Excess (deficiency) of revenues over (under) expenditures	673,819	(1,314,661)	82,636
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,600,000	-
Transfers out	(600,000)	-	-
Total other financing sources (uses)	(600,000)	1,600,000	-
Net change in fund balances	73,819	285,339	82,636
Fund balances - beginning	347,646	(93,464)	22,163
Fund balances - ending	\$ 421,465	\$ 191,875	\$ 104,799

Capital Projects						Total Nonmajor Governmental Funds	
Surface Drainage	Traffic Light Capital Improvement	Parks Capital Improvement	Total				
\$ -	\$ -	\$ -	\$ 712,588	\$		2,984,073	
-	60,000	-	1,752,366			6,103,495	
10,139	-	83,742	323,276			4,572,013	
-	-	-	-			82,525	
-	5,884	32,500	40,853			1,401,055	
10,139	65,884	116,242	2,829,083			15,143,161	
-	-	-	-			1,005,518	
-	-	-	-			4,377,804	
-	-	-	-			6,882,516	
-	248,067	45,991	3,489,082			3,489,082	
-	248,067	45,991	3,489,082			15,754,920	
10,139	(182,183)	70,251	(659,999)			(611,759)	
-	375,000	-	1,975,000			2,975,000	
-	-	-	(600,000)			(1,228,703)	
-	375,000	-	1,375,000			1,746,297	
10,139	192,817	70,251	715,001			1,134,538	
61,806	1,035,833	-	1,373,984			5,821,351	
\$ 71,945	\$ 1,228,650	\$ 70,251	\$ 2,088,985	\$		6,955,889	

City of Idaho Falls, Idaho
Street Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Highway users' apportionment	\$ -	\$ 12,725	\$ 12,725
Revenue sharing	3,266,000	2,845,627	(420,373)
Intergovernmental	-	-	-
Interest	-	-	-
Miscellaneous	5,000	10,806	5,806
Total revenues	<u>3,271,000</u>	<u>2,869,158</u>	<u>(401,842)</u>
 EXPENDITURES			
Streets	<u>5,348,363</u>	<u>4,754,544</u>	<u>593,819</u>
Excess of revenues over (under) expenditures	<u>(2,077,363)</u>	<u>(1,885,386)</u>	<u>191,977</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	1,000,000	1,000,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(1,077,363)</u>	<u>(885,386)</u>	<u>191,977</u>
Fund balances - beginning	<u>(1,686,595)</u>	<u>(1,686,595)</u>	<u>-</u>
Fund balances - ending	<u>\$ (2,763,958)</u>	<u>\$ (2,571,981)</u>	<u>\$ 191,977</u>

City of Idaho Falls, Idaho
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 490,708	\$ 490,862	\$ 154
Charges for services	849,675	936,011	86,336
Interest	1,000	813	(187)
Miscellaneous	86,600	66,610	(19,990)
Total revenues	<u>1,427,983</u>	<u>1,494,296</u>	<u>66,313</u>
 EXPENDITURES			
Recreation	<u>1,661,023</u>	<u>1,670,243</u>	<u>(9,220)</u>
Excess of revenues over (under) expenditures	<u>(233,040)</u>	<u>(175,947)</u>	<u>57,093</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	331,690	331,690	57,093
Fund balances - beginning	<u>491,403</u>	<u>407,160</u>	<u>(84,243)</u>
Fund balances - ending	<u><u>\$ 823,093</u></u>	<u><u>\$ 738,850</u></u>	<u><u>\$ (27,150)</u></u>

City of Idaho Falls, Idaho
Library Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 1,759,423	\$ 1,759,975	\$ 552
Intergovernmental	952,360	960,157	7,797
Charges for services	16,000	14,028	(1,972)
Fines	103,000	82,525	(20,475)
Interest	1,800	2,312	512
Miscellaneous	131,000	24,833	(106,167)
Total revenues	<u>2,963,583</u>	<u>2,843,830</u>	<u>(119,753)</u>
 EXPENDITURES			
Culture	<u>3,117,813</u>	<u>2,600,125</u>	<u>517,688</u>
Excess of revenues over (under) expenditures	<u>(154,230)</u>	<u>243,705</u>	<u>397,935</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(154,230)	243,705	397,935
Fund balances - beginning	<u>943,814</u>	<u>943,814</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 789,584</u></u>	<u><u>\$ 1,187,519</u></u>	<u><u>\$ 397,935</u></u>

City of Idaho Falls, Idaho
 Airport Passenger Facility Charge Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Non-GAAP Basis - Budget and Actual
 For The Year Ended September 30, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ 600,000	\$ 628,703	\$ 28,703
Total revenues	<u>600,000</u>	<u>628,703</u>	<u>28,703</u>
 EXPENDITURES			
General government	<u>-</u>	<u>-</u>	<u>-</u>
 Excess of revenues over (under) expenditures	<u>600,000</u>	<u>628,703</u>	<u>28,703</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>(600,000)</u>	<u>(628,703)</u>	<u>(28,703)</u>
 Total other financing sources (uses)	<u>(600,000)</u>	<u>(628,703)</u>	<u>(28,703)</u>
 Excess of revenues and other financing sources over (under) expenditures and uses	-	-	-
 Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Idaho Falls, Idaho
Electric Light Public Purpose Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Interest	\$ 2,000	\$ 3,115	\$ 1,115
Miscellaneous	300,000	618,566	318,566
Total revenues	302,000	621,681	319,681
 EXPENDITURES			
General government	300,500	594,852	(294,352)
Excess of revenues over (under) expenditures	1,500	26,829	25,329
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Excess of revenues and other financing sources over (under) expenditures and uses	1,500	26,829	25,329
Fund balances - beginning	2,114,288	2,114,288	-
Fund balances - ending	\$ 2,115,788	\$ 2,141,117	\$ 25,329

City of Idaho Falls, Idaho
Business Improvement District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Miscellaneous	\$ 52,000	\$ 42,497	\$ (9,503)
Total revenues	<u>52,000</u>	<u>42,497</u>	<u>(9,503)</u>
 EXPENDITURES			
General government	<u>46,200</u>	<u>46,163</u>	<u>37</u>
Excess of revenues over (under) expenditures	<u>5,800</u>	<u>(3,666)</u>	<u>(9,466)</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	5,800	(3,666)	(9,466)
Fund balances - beginning	<u>81,542</u>	<u>81,542</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 87,342</u></u>	<u><u>\$ 77,876</u></u>	<u><u>\$ (9,466)</u></u>

City of Idaho Falls, Idaho
Golf Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ 2,639,671	\$ 2,677,072	\$ 37,401
Interest	-	-	-
Miscellaneous	21,309	7,110	(14,199)
Total revenues	<u>2,660,980</u>	<u>2,684,182</u>	<u>23,202</u>
 EXPENDITURES			
Recreation	<u>2,625,294</u>	<u>2,654,245</u>	<u>(28,951)</u>
Excess of revenues over (under) expenditures	<u>35,686</u>	<u>29,937</u>	<u>(5,749)</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>35,686</u>	<u>29,937</u>	<u>(5,749)</u>
Fund balances - beginning	<u>1,468</u>	<u>1,468</u>	<u>-</u>
Fund balances - ending	<u>\$ 37,154</u>	<u>\$ 31,405</u>	<u>\$ (5,749)</u>

City of Idaho Falls, Idaho
Municipal Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 705,051	\$ 705,272	\$ 221
Intergovernmental	-	-	-
Interest	1,000	721	(279)
Miscellaneous	25,000	-	
Total revenues	<u>731,051</u>	<u>705,993</u>	<u>(58)</u>
 EXPENDITURES			
Capital outlay	<u>414,325</u>	<u>39,549</u>	<u>374,776</u>
Excess of revenues over (under) expenditures	<u>316,726</u>	<u>666,444</u>	<u>349,718</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>(600,000)</u>	<u>600,000</u>
Total other financing sources (uses)	<u>-</u>	<u>(600,000)</u>	<u>600,000</u>
Excess of revenues and other financing sources over (under) expenditures and uses	316,726	66,444	(250,282)
Fund balances - beginning	<u>347,646</u>	<u>347,646</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 664,372</u></u>	<u><u>\$ 414,090</u></u>	<u><u>\$ (250,282)</u></u>

City of Idaho Falls, Idaho
Street Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 834,000	\$ 1,692,366	\$ 858,366
Charges for services	-	146,759	146,759
Interest	-	721	721
Miscellaneous	2,202,000	-	(2,202,000)
Total revenues	<u>3,036,000</u>	<u>1,839,846</u>	<u>(1,196,154)</u>
 EXPENDITURES			
Capital outlay	<u>5,301,195</u>	<u>3,155,475</u>	<u>2,145,720</u>
Excess of revenues over (under) expenditures	<u>(2,265,195)</u>	<u>(1,315,629)</u>	<u>949,566</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,600,000	(1,600,000)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>1,600,000</u>	<u>(1,600,000)</u>
Excess of revenues and other financing sources over (under) expenditures and uses	<u>(2,265,195)</u>	<u>284,371</u>	<u>(2,250,434)</u>
Fund balances - beginning	<u>(93,464)</u>	<u>(93,464)</u>	<u>-</u>
Fund balances - ending	<u>\$ (2,358,659)</u>	<u>\$ 190,907</u>	<u>\$ (2,250,434)</u>

City of Idaho Falls, Idaho
Bridge and Arterial Street Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ 40,000	\$ 82,636	\$ 42,636
Intergovernmental	-	-	-
Interest	1,000	-	(1,000)
Total revenues	<u>41,000</u>	<u>82,636</u>	<u>41,636</u>
 EXPENDITURES			
Capital outlay	<u>218,628</u>	<u>-</u>	<u>218,628</u>
Excess of revenues over (under) expenditures	<u>(177,628)</u>	<u>82,636</u>	<u>260,264</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(177,628)	82,636	260,264
Fund balances - beginning	<u>22,163</u>	<u>22,163</u>	<u>-</u>
Fund balances - ending	<u><u>\$ (155,465)</u></u>	<u><u>\$ 104,799</u></u>	<u><u>\$ 260,264</u></u>

City of Idaho Falls, Idaho
Surface Drainage Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ 12,000	\$ 10,139	\$ (1,861)
Interest	-	-	-
Total revenues	<u>12,000</u>	<u>10,139</u>	<u>(1,861)</u>
 EXPENDITURES			
Capital outlay	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Excess of revenues over (under) expenditures	<u>(48,000)</u>	<u>10,139</u>	<u>58,139</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(48,000)	10,139	58,139
Fund balances - beginning	<u>61,806</u>	<u>61,806</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 13,806</u></u>	<u><u>\$ 71,945</u></u>	<u><u>\$ 58,139</u></u>

City of Idaho Falls, Idaho
Traffic Light Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ -	\$ 60,000	\$ 60,000
Interest	1,000	2,182	1,182
Total revenues	<u>1,000</u>	<u>62,182</u>	<u>61,182</u>
 EXPENDITURES			
Capital Outlay	<u>1,027,714</u>	<u>238,525</u>	<u>789,189</u>
Excess of revenues over (under) expenditures	<u>(1,026,714)</u>	<u>(176,343)</u>	<u>850,371</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	375,000	375,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>375,000</u>	<u>375,000</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and uses	(651,714)	198,657	850,371
Fund balances - beginning	<u>1,035,785</u>	<u>1,035,785</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 384,071</u></u>	<u><u>\$ 1,234,442</u></u>	<u><u>\$ 850,371</u></u>

City of Idaho Falls, Idaho
Parks Capital Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-GAAP Basis - Budget and Actual
For The Year Ended September 30, 2015

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for services	\$ -	\$ 83,742	\$ 83,742
Sale of property	-	32,500	32,500
Total revenues	-	116,242	116,242
 EXPENDITURES			
Capital Outlay	50,000	45,991	4,009
Excess of revenues over (under) expenditures	(50,000)	70,251	120,251
 OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	-	(50,000)
Transfers out	-	-	-
Total other financing sources (uses)	50,000	-	(50,000)
Excess of revenues and other financing sources over (under) expenditures and uses	-	70,251	70,251
Fund balances - beginning	-	-	-
Fund balances - ending	\$ -	\$ 70,251	\$ 70,251

STATISTICAL SECTION

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Statistical Section Divider

This part of the City of Idaho Falls, Idaho's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Page No.

Financial Trend Information

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

92-97

Revenue Capacity Information

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

98-102

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

103-107

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities takes place.

108-109

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

110-112

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002: schedules presenting government-wide information include information beginning in that year.

City of Idaho Falls, Idaho

Net Position by Component

Last Ten Fiscal Years

Accrual Basis of Accounting

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Government activities										
Net investment in capital assets										
Restricted	\$107,249,562	\$ 99,115,190	\$ 97,567,088	\$ 95,709,742	\$ 95,102,500	\$ 93,304,031	\$ 92,745,461	\$ 90,587,825	\$ 89,628,017	\$ 75,420,697
Unrestricted	1,086,961	599,392	706,136	842,205	1,021,942	1,213,034	1,143,785	988,654	1,518,064	3,402,646
Total government activities net position	12,187,274	25,474,089	27,630,490	29,474,037	28,792,682	29,135,352	27,445,983	27,378,769	25,706,747	24,727,016
	120,523,797	125,188,671	125,903,714	126,025,984	124,917,124	123,652,417	121,335,229	118,955,248	116,852,828	103,550,359
Business-type activities										
Net investment in capital assets										
Restricted	207,922,474	200,831,606	205,343,145	199,684,300	194,627,548	192,686,784	189,866,463	181,218,089	166,859,124	157,413,332
Unrestricted	-	1,062,286	984,291	-	1,086,345	1,563,210	1,878,003	2,016,097	2,313,968	2,219,983
Total business-type activities net position	91,984,038	95,603,120	80,588,509	75,263,831	65,972,613	57,250,318	52,327,208	49,537,617	42,067,880	30,049,095
	299,906,512	297,497,012	286,915,945	274,948,131	261,686,506	251,490,312	244,071,674	232,771,803	211,240,972	189,682,410
Primary government										
Net investment in capital assets										
Restricted	315,172,036	299,946,796	302,910,233	295,394,042	289,730,048	285,990,815	282,611,924	271,805,914	256,487,141	232,834,029
Unrestricted	1,086,961	1,661,678	1,690,427	842,205	2,108,287	2,766,244	3,021,788	3,004,751	3,832,032	5,622,629
Total primary government net position	104,171,312	121,077,209	108,218,999	104,737,868	94,765,295	86,385,670	79,773,191	76,916,386	67,774,627	54,776,111
	\$420,430,309	\$422,685,683	\$412,819,659	\$400,974,115	\$386,603,630	\$375,142,729	\$365,406,903	\$351,727,051	\$328,093,800	\$293,232,769

City of Idaho Falls, Idaho

Changes in Net Position

Last Ten Fiscal Years

Accrual Basis of Accounting

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government										
Public safety	\$ 4,851,858	\$ 5,583,345	\$ 7,129,490	\$ 5,571,014	\$ 7,241,664	\$ 6,745,582	\$ 7,315,174	\$ 7,397,540	\$ 6,352,659	\$ 6,045,214
Streets	22,194,920	23,030,495	22,682,037	22,081,589	21,326,762	20,478,897	20,467,132	20,869,523	18,764,841	18,504,730
Culture and recreation	6,494,349	9,437,193	7,853,983	8,277,596	7,804,662	7,053,652	6,883,494	6,595,657	5,472,555	4,821,388
Public works	12,970,540	13,241,313	12,268,230	11,307,979	9,737,993	10,055,502	10,686,792	10,130,787	8,894,067	8,565,987
Total governmental activities expense	1,529,668	1,480,742	2,024,618	1,340,331	1,598,222	1,901,223	3,200,900	2,827,838	2,387,383	3,993,094
Business-type activities:										
Airport	48,041,335	52,753,088	51,958,358	48,578,509	47,709,303	46,234,856	48,553,492	47,821,345	41,871,505	41,930,413
Water and sewer	5,271,293	5,477,454	5,174,645	5,072,814	4,886,476	4,196,279	3,985,696	3,921,248	3,358,665	3,327,638
Sanitation	14,409,159	14,776,051	14,592,349	14,523,810	13,184,461	12,569,738	12,185,186	11,140,464	10,707,873	10,131,230
Ambulance	3,576,646	3,751,991	3,539,347	3,395,367	3,449,080	3,265,698	3,233,531	2,978,262	2,739,364	2,653,943
Electric	3,065,869	3,757,512	3,567,676	3,393,378	3,179,427	3,160,466	2,937,746	2,811,351	2,453,241	2,451,434
Total business-type activities expenses	49,645,830	50,884,455	46,948,348	46,135,051	47,584,461	48,572,917	48,140,349	48,820,273	46,277,879	46,368,111
Total primary government expenses	75,968,797	78,647,463	73,822,365	72,520,420	72,283,905	71,765,098	70,462,508	69,671,598	65,537,022	64,932,356
Total primary government revenues	\$124,010,132	\$131,400,551	\$125,780,723	\$121,098,929	\$119,993,208	\$117,999,954	\$119,016,000	\$117,492,943	\$107,408,527	\$106,862,769
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,694,637	\$ 1,582,300	\$ 1,535,438	\$ 1,604,692	\$ 1,505,682	\$ 1,495,623	\$ 1,447,854	\$ 1,935,811	\$ 1,942,675	\$ 1,749,636
Public Safety	482,009	2,579,890	2,643,553	2,663,985	2,650,242	2,622,893	2,591,457	2,388,287	2,335,010	2,317,726
Culture and recreation	146,759	5,049,384	4,844,210	3,740,795	3,554,707	3,583,524	3,542,074	3,486,720	3,450,895	3,285,176
Other activities	4,391,471	103,418	47,438	51,051	39,404	68,068	527,650	978,933	2,553,284	993,388
Operating grants and contributions	3,534,293	864,397	793,995	899,502	924,186	625,402	869,368	521,471	1,046,978	1,173,294
Capital grants and contributions	4,618,811	2,179,390	2,691,780	1,715,285	1,417,726	882,387	2,588,058	3,311,708	8,417,579	9,092,823
Total governmental activities program revenues	14,867,980	12,358,779	12,556,414	10,675,310	10,091,947	9,277,897	11,566,461	12,622,930	19,746,421	18,612,043
Business-type activities:										
Charges for service:										
Water and Sewer	17,666,063	18,595,875	19,678,984	18,302,228	17,767,507	17,425,627	17,026,050	13,733,266	13,193,636	12,312,167
Electric	56,589,861	60,269,001	56,432,869	56,724,430	56,261,765	53,371,324	52,428,594	58,747,641	59,829,162	61,146,482
Other activities	8,407,553	8,010,022	7,945,276	7,419,298	7,307,467	7,402,500	7,635,143	7,481,727	7,299,938	5,921,743
Operating grants and contributions	1,908,750	1,948,498	1,844,770	2,602,918	1,898,908	1,660,981	1,835,937	1,503,087	1,518,842	1,551,558
Capital grants and contributions	3,566,590	3,826,311	3,315,084	4,058,705	2,634,332	1,567,924	5,439,660	11,408,555	6,043,486	14,238,986
Total business-type activities program revenue	88,138,817	92,649,707	89,216,983	89,107,579	85,869,979	81,428,356	84,365,384	92,874,276	87,885,064	95,170,936
Total primary government program revenues	\$103,006,797	\$105,008,486	\$101,773,397	\$ 99,782,889	\$ 95,961,926	\$ 90,706,253	\$ 95,931,845	\$105,497,206	\$107,631,485	\$113,782,979

Fiscal Year

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (expense) revenue										
Government activities	\$ (33,173,355)	\$ (40,394,309)	\$ (39,401,944)	\$ (37,903,199)	\$ (37,617,356)	\$ (36,956,959)	\$ (36,987,031)	\$ (35,198,415)	\$ (22,125,084)	\$ (23,318,370)
Business-type activities	12,170,020	14,002,244	15,394,618	16,587,159	13,586,074	9,663,258	13,902,876	23,202,678	22,348,042	30,238,580
Total primary government net expenses	\$ (21,003,335)	\$ (26,392,065)	\$ (24,007,326)	\$ (21,316,040)	\$ (24,031,282)	\$ (27,293,701)	\$ (23,084,155)	\$ (11,995,737)	\$ 222,958	\$ 6,920,210

General Revenues and Other Changes in Net Position

Governmental activities:										
Taxes										
Property taxes	\$ 28,176,877	\$ 27,018,814	\$ 26,953,991	\$ 26,921,152	\$ 27,033,901	\$ 26,890,757	\$ 26,487,935	\$ 23,914,223	\$ 21,694,620	\$ 20,550,997
Sales tax and revenue sharing	7,154,832	6,362,486	6,187,664	5,904,764	5,582,668	5,412,698	5,429,055	6,028,163	6,312,994	6,152,996
Franchise taxes	690,472	865,118	676,897	774,011	776,813	898,165	893,822	829,622	857,610	730,926
Alcoholic beverages taxes	662,618	633,798	656,433	637,415	608,889	613,462	728,432	665,556	647,954	562,977
Unrestricted investment earnings	10,749	101,528	219,289	120,030	104,189	145,159	282,375	819,317	1,242,137	1,062,467
Miscellaneous revenues	2,626,779	867,034	693,689	830,538	933,335	2,139,340	1,850,123	921,902	822,360	2,716,785
Transfers	3,716,144	3,830,488	3,891,711	3,824,149	3,842,268	2,897,593	3,695,270	3,910,680	3,632,318	3,544,165
Total governmental activities	43,038,471	39,679,266	39,279,674	39,012,059	38,882,063	38,997,174	39,367,012	37,089,463	35,209,993	35,321,313

Business-type activities:

Sales taxes	-	-	-	-	-	-	13,532	14,565	14,773	14,065
Unrestricted investment income	515,642	409,311	464,907	498,615	452,388	652,973	1,078,733	2,224,268	2,828,065	2,067,689
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
Transfers	(3,716,144)	(3,830,488)	(3,891,711)	(3,824,149)	(3,842,268)	(2,897,593)	(3,695,270)	(3,910,680)	(3,632,318)	(3,544,165)
Total business-type activities	(3,200,502)	(3,421,177)	(3,426,804)	(3,325,534)	(3,389,880)	(2,244,620)	(2,603,005)	(1,671,847)	(789,480)	(1,462,411)
Total primary government	\$ 39,837,969	\$ 36,258,089	\$ 35,852,870	\$ 35,686,525	\$ 35,492,183	\$ 36,752,554	\$ 36,764,007	\$ 35,417,616	\$ 34,420,513	\$ 33,858,902

Change in Net Position

Governmental activities	\$ 9,865,116	\$ (715,043)	\$ (122,270)	\$ 1,108,860	\$ 1,264,707	\$ 2,040,215	\$ 2,379,981	\$ 1,891,048	\$ 13,084,909	\$ 12,002,943
Business-type activities	8,969,518	10,581,067	11,967,814	13,261,625	10,196,194	7,418,638	11,299,871	21,530,831	21,558,562	28,776,169
Total primary government	\$ 18,834,634	\$ 9,866,024	\$ 11,845,544	\$ 14,370,485	\$ 11,460,901	\$ 9,458,853	\$ 13,679,852	\$ 23,421,879	\$ 34,643,471	\$ 40,779,112

City of Idaho Falls, Idaho

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Modified Accrual Basis of Accounting

Fiscal Year

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 628,914	\$ 791,271	\$ 592,671	\$ 647,676	\$ 725,023	\$ 937,164	\$ 873,481	\$ 662,874	\$ 624,975	\$ 890,248
Committed	1,293,941	6,199,706	4,330,726	3,642,668	3,943,533	4,902,446	3,701,297	3,052,724	3,125,475	2,799,101
Assigned	8,338,948	3,153,582	3,096,175	2,971,115	2,941,927	3,087,665	3,254,828	3,138,160	3,882,634	9,901,527
Unassigned	12,715,168	13,688,332	16,630,071	15,671,513	14,852,980	13,872,194	11,518,635	10,397,524	9,572,722	6,922,979
Total general fund	\$ 22,976,971	\$ 23,832,891	\$ 24,649,643	\$ 22,932,972	\$ 22,463,463	\$ 22,799,469	\$ 19,348,241	\$ 17,251,282	\$ 17,205,806	\$ 20,513,855
All Other Governmental Funds										
Nonspendable	\$ 157,802	\$ 167,542	\$ 96,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,086,961	599,392	706,136	842,205	1,021,942	1,213,034	1,143,785	988,654	893,089	902,877
Committed	1,439,127	1,231,683	3,434,968	7,448,805	3,162,766	3,395,364	2,433,690	2,777,790	1,902,016	1,652,866
Assigned	7,132,227	3,822,734	3,725,761	321,912	7,452,238	7,110,385	9,687,897	11,610,545	10,884,320	8,799,606
Total all other funds	\$ 9,816,117	\$ 5,821,351	\$ 7,963,120	\$ 8,612,922	\$ 11,636,946	\$ 11,718,783	\$ 13,265,372	\$ 15,376,989	\$ 13,679,425	\$ 11,355,349

City of Idaho Falls, Idaho

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Taxes	\$ 28,789,716	\$ 27,976,389	\$ 27,662,828	\$ 27,796,006	\$ 27,689,090	\$ 27,608,568	\$ 27,055,160	\$ 24,814,514	\$ 22,389,145	\$ 21,281,924
Licenses and permits	803,450	673,516	685,216	726,603	508,313	487,589	469,239	806,908	844,455	693,211
Intergovernmental	12,966,215	11,628,053	11,997,632	10,724,945	10,133,824	9,245,009	9,476,653	9,260,828	9,923,966	9,822,574
Charges for services	5,543,667	5,163,830	4,828,425	3,946,717	3,624,847	3,782,298	4,147,007	4,764,733	6,369,716	4,590,109
Fines	367,757	456,676	555,680	562,297	601,554	663,779	654,329	605,379	656,125	638,446
Miscellaneous	2,381,075	1,141,973	1,545,046	1,667,250	1,673,700	3,318,282	3,053,593	2,436,391	5,403,329	4,718,018
Total revenues	50,851,880	47,040,437	47,274,827	45,423,518	44,231,328	45,105,525	44,855,981	42,688,753	45,586,736	41,744,282
Expenditures										
General government	9,650,494	6,206,595	6,846,933	7,485,298	7,983,427	7,057,291	7,793,577	6,985,481	6,508,728	6,048,169
Public safety	21,974,440	22,948,181	22,030,673	22,240,761	21,201,113	20,480,244	20,125,700	19,941,808	18,437,544	18,330,346
Streets	4,377,804	4,942,294	4,575,815	4,518,131	3,996,278	3,477,488	3,208,216	2,912,534	2,404,574	2,215,289
Culture and recreation	13,175,429	13,717,673	11,951,631	11,715,887	11,820,771	11,506,429	10,529,685	9,988,537	14,059,309	8,382,678
Public works	1,622,157	1,819,304	1,653,690	1,363,831	1,772,224	1,532,164	2,201,627	2,131,286	1,480,771	1,556,942
Capital outlay	3,489,082	4,194,999	5,938,197	1,591,004	1,717,623	2,044,863	4,707,104	2,896,747	7,312,101	8,977,868
Debt service:										
Principal										
Interest										
Total expenditures	54,289,406	53,829,046	52,996,939	48,904,912	48,491,436	46,098,479	48,565,909	44,856,393	50,203,027	45,511,292
Excess of revenues over (under) expenditures	(3,437,526)	(6,788,609)	(5,722,112)	(3,481,394)	(4,260,108)	(992,954)	(3,709,928)	(2,167,640)	(4,616,291)	(3,767,010)
Other Financing Sources (Uses)										
Capital contributions	6,944,847	7,066,752	9,233,739	6,037,569	5,421,773	4,306,852	8,737,334	6,148,529	9,148,696	7,288,377
Transfer in	(3,228,703)	(3,236,264)	(5,342,028)	(2,213,420)	(1,579,508)	(1,409,259)	(5,042,064)	(2,237,849)	(5,516,378)	(3,744,212)
Transfers out										
Total other financing sources (uses)	3,716,144	3,830,488	3,891,711	3,824,149	3,842,265	2,897,593	3,695,270	3,910,680	3,632,318	3,544,165
Net change in fund balances	\$ 278,618	\$ (2,958,121)	\$ (1,830,401)	\$ 342,755	\$ (417,843)	\$ 1,904,639	\$ (14,658)	\$ 1,743,040	\$ (983,973)	\$ (222,845)

City of Idaho Falls, Idaho

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

Modified Accrual Basis of Accounting

Fiscal Year	Property Tax	Property Tax Penalties	Franchise Taxes	Other Taxes	Total Taxes
2015	\$ 27,840,847	\$ 258,397	\$ 685,558	\$ 4,914	\$ 28,789,716
2014	26,865,219	246,052	861,440	3,678	27,976,389
2013	26,749,184	242,437	672,987	3,910	27,662,828
2012	26,724,540	297,455	770,431	3,580	27,796,006
2011	26,689,984	222,293	772,887	3,926	27,689,090
2010	26,513,692	196,711	893,075	5,090	27,608,568
2009	25,972,690	188,648	888,502	5,320	27,055,160
2008	23,769,582	215,310	822,684	6,938	24,814,514
2007	21,385,896	145,639	850,468	7,142	22,389,145
2006	20,394,495	151,492	729,329	6,608	21,281,924
2006-2015 Change	\$ 7,446,352	\$ 106,905	\$ (43,771)	\$ (1,694)	\$ 7,507,792

City of Idaho Falls, Idaho
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended 30-Sep	Real Property		Total Taxable Assessed Value	Total Direct Tax Levy	Property Taxes Certified to County
	Total Assessed Value	Less Property Tax Exemptions			
2015	\$ 4,061,215,468	\$ 1,082,489,160	\$ 2,978,726,308	0.009257535	\$ 27,575,663
2014	\$ 3,927,961,667	\$ 1,045,849,873	\$ 2,882,111,794	0.009021032	26,768,236
2013	3,979,310,899	1,007,119,782	2,972,191,117	0.009006230	26,768,236
2012	3,921,199,209	906,060,385	3,015,138,824	0.008877945	26,768,236
2011	3,954,896,311	940,007,554	3,014,888,757	0.008878681	26,768,236
2010	4,024,693,712	951,335,349	3,073,358,363	0.008709767	26,768,236
2009	3,936,744,617	939,683,983	2,997,060,634	0.008718428	26,129,658
2008	3,594,918,894	859,998,849	2,734,920,045	0.008582005	23,471,098
2007	3,172,168,665	744,597,426	2,427,571,239	0.008827421	21,429,192
2006	2,960,999,081	610,229,122	2,350,769,959	0.008582015	20,174,344

Source: Bonneville County Assessor's Office and the City of Idaho Falls, Idaho.

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are also actual values. Tax levies are per \$1 of assessed value. Currently, Bonneville County is only able to determine Total Assessed Value and can not distinguish between residential, commercial, and industrial properties. Approximately 77 percent of the property tax exemptions come from the residential home owner's exemption. The exemption is equal to 50 percent of the assessed value of residential property, to a maximum of \$83,920. Approximately 18 percent of the property tax exemptions apply to the Idaho Falls Redevelopment Agency which is within the City limits.

City of Idaho Falls, Idaho
Direct and Overlapping Property Tax Levies
Last Ten Fiscal Years

City of Idaho Falls, Idaho Direct Levy							
Fiscal Year	General Fund	Fireman's Retirement	Tort	Recreation Fund	Library Fund	Municipal Capital Improvement Fund	Total Direct
2015	0.007641522	0.000417867	0.00020605	0.000164738	0.000590663	0.000236695	0.009257535
2014	0.007422643	0.000417477	0.000200518	0.000162794	0.000583696	0.000233904	0.009021032
2013	0.007419395	0.000406633	0.000200189	0.000162731	0.000583469	0.000233813	0.009006230
2012	0.007325810	0.000389236	0.000195184	0.000160689	0.000576147	0.000230879	0.008877945
2011	0.007328925	0.000388074	0.000193542	0.000160760	0.000576400	0.000230980	0.008878681
2010	0.007061815	0.000359541	0.000171191	0.000158500	0.000568298	0.000390422	0.008709767
2009	0.007070105	0.000348341	0.000200864	0.000154802	0.000555058	0.000389258	0.008718428
2008	0.007125001	0.000308341	0.000212072	0.000155517	0.000557620	0.000223454	0.008582005
2007	0.007231922	0.000347379	0.000275996	0.000161417	0.000578775	0.000231932	0.008827421
2006	0.006999577	0.000358728	0.000285013	0.000155867	0.000558873	0.000223957	0.008582015

Source: Bonneville County Assessor's Office.

Note: Bonneville County sets the City's levy. The Mayor and City Council determine the dollar amount to be levied as determined by State law. Overlapping levies are those taxing districts that apply to property within the City. Not all overlapping levies apply to all the City's property owners. For example, although the County property tax levy applies to all City property owners, School District 93's levy, applies to approximately 14 percent of the City's property owners.

City of Idaho Falls, Idaho Overlapping Levies

School District 91	School District 93	Bonneville County	Ambulance District	Flood Control District	New Sweden Cemetery District	Ammon Cemetery District
0.004250356	0.005448000	0.004093435	0.000364472	0.000007592	0.000039085	0.000061414
0.004250601	0.005448000	0.004089167	0.000356658	0.000007453	0.000040311	0.000061721
0.004327921	0.005448000	0.004089399	0.000346991	0.000007040	0.000035568	0.000059013
0.003226703	0.005447999	0.004035117	0.000276415	0.000006515	0.000032506	0.000055662
0.003226703	0.005447999	0.004035117	0.000276415	0.000006515	0.000032506	0.000055662
0.003617960	0.005448000	0.004035117	0.000276415	0.000006109	0.000030482	0.000051550
0.004101884	0.005447938	0.004035117	0.000292873	0.000005940	0.000031360	0.000047506
0.004102010	0.005448000	0.004076056	0.000315747	0.000006107	0.000033031	0.000049285
0.004521858	0.005447634	0.004246505	0.000324330	0.000006252	0.000033121	0.000052042
0.007634142	0.007595133	0.004267845	0.000324285	0.000005947	0.000030151	0.000055896

City of Idaho Falls, Idaho
Principal Property Tax Payers
September 30, 2015

Taxpayers	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Eastern Idaho Health Serv. Inc.	\$ 82,631,080	1	2.8%	\$ 75,549,927	2	3.2%
Bush Ag. Resources Inc.	66,843,574	2	2.2%	88,516,416	1	3.8%
InteGrow Malt LLC	62,142,787	3	2.1%	-	-	-
Grand Teton Mall	56,519,833	4	1.9%	36,689,817	5	1.6%
Mountain View Hospital	36,487,256	5	1.2%	41,306,670	4	1.8%
INL Office Building (Batelle)	28,696,690	6	1.0%	9,735,024	10	0.4%
Bonaventure Senior Living Community	14,880,922	7	0.5%	-	-	-
Wal-Mart	14,139,844	8	0.5%	18,596,794	6	0.8%
Melaleuca Inc.	12,526,496	9	0.4%	-	-	-
Shilo Inn	12,215,926	10	0.4%	-	-	-
GMODELO Agriculture Inc.				63,574,893	3	2.7%
Qwest Corporation				12,785,674	7	0.5%
Fairwinds Sandcreek Retirement Center				12,719,984	8	0.5%
Fremont Ave Association				12,581,089	9	0.5%
	<u>\$ 387,084,408</u>		<u>13.0%</u>	<u>\$ 372,056,288</u>		<u>15.8%</u>

Source: Bonneville County Auditor's Office

City of Idaho Falls, Idaho
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 27,575,663	\$ 26,822,297	97.3%	\$ -	\$ 26,822,297	97.3%
2014	26,768,236	26,014,870	96.9	416,032	26,430,902	98.7
2013	26,768,236	25,874,732	96.7	721,275	26,596,007	99.4
2012	26,768,236	25,729,508	96.1	1,030,182	26,759,690	100.0
2011	26,768,236	25,793,487	96.4	972,596	26,766,083	100.0
2010	26,768,236	25,672,969	95.9	1,094,940	26,767,909	100.0
2009	26,129,658	25,224,859	96.5	904,584	26,129,443	100.0
2008	23,471,098	22,716,967	96.8	754,016	23,470,983	100.0
2007	21,429,192	20,733,375	96.8	695,817	21,429,192	100.0
2006	20,174,344	19,583,242	97.1	591,102	20,174,344	100.0

City of Idaho Falls, Idaho
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita
	Airport Bonds	Airport Certificates of Participation	Wastewater State of Idaho Note	Electric General Obligation Bonds			
2015	\$ -	\$ -	\$ 17,242,500	\$ -	\$ 17,242,500	0.01%	\$294
2014	-	-	17,242,500	728,860	17,971,360	0.01	308
2013	-	-	3,534,196	1,514,518	5,048,714	0.25	87
2012	-	-	-	3,208,233	3,208,233	0.17	56
2011	-	1,000,000	-	5,029,084	6,029,084	0.33	106
2010	-	1,915,000	-	6,984,056	8,899,056	0.48	157
2009	-	2,750,000	-	9,084,389	11,834,389	0.70	214
2008	-	3,510,000	-	11,408,196	14,918,196	0.90	274
2007	-	4,205,000	-	13,903,061	18,108,061	1.13	334
2006	230,000	4,205,000	-	16,605,230	21,040,230	1.43	396

Note: Details regarding the City's outstanding debt can be found in the notes to financials statements.
(1) See Exhibit E-1 for personal income and population data.

City of Idaho Falls Idaho
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding					
Fiscal Year	Business-Type Electric General Obligation Bonds	Total	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita
2015	\$ -	\$ -	\$ 2,978,726,308	0.00%	\$0
2014	728,860	728,860	2,967,314,020	0.02	13
2013	1,514,518	1,514,518	2,972,191,117	0.05	26
2012	3,208,233	3,208,233	3,015,138,236	0.11	56
2011	5,029,084	5,029,084	3,014,888,757	0.17	89
2010	6,984,056	6,984,056	3,073,358,363	0.23	123
2009	9,084,389	9,084,389	2,997,060,634	0.30	164
2008	11,408,196	11,408,196	2,734,920,045	0.42	209
2007	13,903,061	13,903,061	2,427,571,239	0.57	256
2006	16,605,230	16,605,230	2,350,769,959	0.71	313

City of Idaho Falls, Idaho

Direct and Overlapping Governmental Activities Debt

As of September 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid from property taxes:			
Overlapping:			
Bonneville County	\$ 1,060,000	64%	\$ 678,400
Idaho Falls Redevelopment Agency	12,315,671 (b)	0%	
School District No. 91	44,225,000	86%	38,033,500
School District No. 93	56,455,000	14%	7,903,700
Total overlapping	<u>114,055,671</u>		<u>46,615,600</u>
Direct:			
City of Idaho Falls	- (a)		-
Total direct and overlapping debt	<u>\$ 114,055,671</u>		<u>\$ 46,615,600</u>

Source: Assessed value data used to estimate applicable percentages provided by Bonneville County.
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Idaho Falls. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(a) Excludes note payable reported in enterprise funds and backed by a revenue.

(b) The bonds and notes to the Idaho Falls Redevelopment Agency, which is entirely within the City, are payable solely from incremental tax revenues from ad valorem taxes levied by all overlapping taxing authorities, which result from increases in assessed valuation of property within the revenue allocation area; no ad valorem levy to pay such bonds and notes is permitted.

City of Idaho Falls, Idaho

Legal Debt Margin Information

Last Ten Fiscal Years

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limit	\$ 81,224,309	\$ 78,559,233	\$ 79,586,218	\$ 78,423,984	\$ 79,097,926	\$ 80,493,874	\$ 78,734,892	\$ 71,898,378	\$ 63,443,373	\$ 59,219,982
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 81,224,309	\$ 78,559,233	\$ 79,586,218	\$ 78,423,984	\$ 79,097,926	\$ 80,493,874	\$ 78,734,892	\$ 71,898,378	\$ 63,443,373	\$ 59,219,982
Total net debt applicable to the limit as a percentage of debt	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	\$ 4,061,215,468
Debt limit (2% of market value)	\$ 81,224,309
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	\$ 81,224,309

Note: General obligation bonds may be issued by the City for a variety of purposes in an amount which does not at any time exceed in aggregate 2% of the market value for assessment purposes of the real and personal property in the City, according to the preceding year's assessment. However, general obligation bonds issued to acquire, construct, or improve facilities for water, light and power, storm sewers and sanitary sewer systems are exempt from and do not count against the general obligation debt limit. In addition, bonds secured only by a pledge of revenue-producing facility, are not subject to and do not count against the debt limit.

City of Idaho Falls, Idaho
Pledged-Revenue Coverage
Last Ten Fiscal Years

Electric General Obligation Revenue Bonds						
Fiscal Year	Revenue(1)	Less Operating Expense(2)	Net Available Revenue	Debt Service (3)		Coverage(4)
				Principal	Interest	
2015	\$ -	\$ -	\$ -	\$ 728,860	\$ 2,930,365	0.00
2014	\$ 60,550,605	\$ 40,302,585	\$ 20,248,020	\$ 728,860	\$ 2,930,365	5.53
2013	56,814,412	40,302,585	16,511,827	1,514,518	5,572,932	2.33
2012	57,253,383	39,177,141	18,076,242	1,820,851	5,849,148	2.36
2011	57,582,403	40,211,154	17,371,249	1,954,972	5,725,028	2.26
2010	53,859,856	40,872,272	12,987,584	2,100,333	5,594,667	1.69
2009	53,218,316	40,248,045	12,970,271	2,323,808	5,616,192	1.63
2008	60,377,193	41,001,766	19,375,427	2,494,865	5,455,135	2.44
2007	61,943,138	38,371,027	23,572,111	2,702,169	4,996,454	3.06
2006	62,714,219	38,410,805	24,303,414	2,896,030	4,802,594	3.16

- (1) Revenues include operating revenues, interest income, sales taxes, PFC funds, certain federal grants, and non-operating income.
(2) Operating expenses do not include depreciation and payments in lieu of taxes but includes other charges.
(3) Includes principal and interest on revenue bonds, certificates of participation, and general obligation bonds which are paid from operating revenues and subject to debt coverage requirements.
(4) The Airport bond ordinance requires 1.25 coverage while the Electric bond ordinance requires 1.15 coverage.
(5) The Airport Fund did not meet it's rate coverage of 1.25 for the year ended September 30, 2010.
(6) On February 15, 2011 all funds needed to payoff the Airport Fund certificates of participation was deposited in escrow account with the trustee as per agreement with the certificate holder and trustee. Rate coverage was below the required 1.25 as of September 30, 2011. Final payment from the escrow account to the certificate holder in the amount of \$1,022,750 was made on October 1, 2011.

City of Idaho Falls, Idaho

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Attainment			School Enrollment	Unemployment Rate
					High School Graduates or Higher	25 Years and Older	4 or More Years of College		
2015	58,691	(1) \$ 2,159,711,418	(1) \$ 36,798	(1) -	-	-	-	10,423	3.4%
2014	58,292	(1) \$ 2,165,664,384	(1) \$ 37,152	(1) -	-	-	-	10,423	3.5%
2013	57,889	(1) 2,043,018,588	(1) 35,292	(1) -	-	-	-	10,391	5.9
2012	57,646	(1) 1,932,293,920	(1) 33,520	(1) -	-	-	-	10,411	5.9
2011	56,813	(1) 1,853,921,816	(1) 32,632	(1) -	-	-	-	10,514	7.0
2010	56,813	1,836,082,534	32,318	32	89.3	27.5		10,500	7.3
2009	55,312	(1) 1,680,715,500	(1) 30,698	(1) -	-	-	-	10,480	6.5
2008	54,334	(1) 1,656,582,000	(1) 30,396	(1) -	-	-	-	10,400	3.6
2007	54,272	(1) 1,609,219,072	(1) 29,651	(1) -	-	-	-	10,279	2.4
2006	53,000	(1) 1,473,400,000	(1) 27,800	(1) -	-	-	-	10,400	2.6

(1) Numbers are estimated.

Sources: Population, provided by Idaho Commerce and Labor, Personal Income is calculated by multiplying population by per capital personal income. Per Capita Personal Income provided by U.S. Department of Commerce and Labor and Bureau of Economic Analysis. U.S. Department of Labor for unemployment rate. U.S. Census Bureau for Median Age and Educational information. Educational information is only available every ten years.

City of Idaho Falls, Idaho

Principal Employers

Current Year and Ten Years Ago

Employer (b)	2015 (a)			2006 (d)		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	
Battelle Energy Alliance	3,450	1	12.37%	2,500	1	
Bonneville Joint School District 93	1,350	2	4.84	850	5	
Eastern Idaho Regional Medical Center	1,350	3	4.84	1,311	3	
CH2M Hill WG, LLC	1,050	4	3.77	-	-	
Idaho Falls School District 91	1,050	5	3.77	1,700	2	
Wal-Mart	800	6	2.87	450	8	
City of Idaho Falls	775	7	2.78	750	6	
Melaleuca Inc	775	8	2.78	1,300	4	
Gem State Staffing	575	9	2.06	-	-	
Bonneville County	525	10	1.88	450	9	
Center Partners				600	7	
Albertsons, Inc.				350	10	
Total	11,700		32.28%	10,261		

Source: Idaho Department of Labor

(a) This information is from Idaho Falls metropolitan area and includes Bonneville, Butte & Jefferson Counties

(b) The Department of Labor only releases information authorized by employers.

(c) These numbers are averages. They include part time and full time employees.

(d) Percentage of total city employment not presented in 2006

Full-time Equivalent City of Idaho Falls Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Actual Full-time Employees as of September 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government:										
Mayor and council	9	9	9	9	9	9	8	8	7	8
Legal	6	6	3	0	0	0	0	0	0	0
Municipal services	68	68	69	71	71	70	68	68	67	67
Human resources	3	3	3	3	3	2	2	2	2	2
Planning and building	16	16	16	18	18	19	17	17	17	16
Public safety:										
Police	123	123	127	127	131	131	127	127	122	122
Fire	103	103	100	101	102	103	103	103	100	97
Streets	21	21	21	21	20	21	21	21	21	20
Culture and recreation:										
Parks and recreation	67	67	66	67	67	64	63	63	62	59
Library	23	23	23	20	20	21	21	21	21	20
Public works	20	20	20	20	20	20	20	20	19	20
Airport	12	12	12	11	12	11	14	14	13	13
Water and sewer	51	51	50	52	52	54	54	54	50	49
Sanitation	28	28	28	28	28	29	30	30	27	27
Electric	68	68	64	65	65	64	64	64	62	59
Total	618	618	611	613	618	618	612	612	590	579

Source: "Monthly Employment Report" compiled by the City of Idaho Falls Human Resources Division.

City of Idaho Falls, Idaho

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Planning and building										
Building permits issued										
Value of building permits	548	510	560	408	519	484	408	595	849	837
Inspections	\$ 85,498,306	\$ 62,469,704	\$ 68,340,167	\$ 82,763,617	\$ 34,257,071	\$ 38,008,986	\$ 23,403,760	\$ 54,005,000	\$ 71,772,712	\$ 62,226,668
Police	6,543	7,082	6,867	5,671	4,664	4,978	5,476	8,947	9,414	9,213
Physical arrest										
Parking violations	3,022	2,673	3,994	3,017	3,363	3,165	3,599	3,950	4,317	4,931
Traffic violations	1,759	1,969	2,400	2,977	3,193	3,757	4,130	3,192	3,723	4,869
Fire	6,150	7,821	11,052	11,106	14,238	13,894	14,835	11,502	19,028	18,384
Ambulance dispatches										
Fire dispatches	8,666	8,544	7,820	7,596	7,600	7,411	7,109	7,119	7,040	6,828
Fires extinguished	4,306	4,023	3,934	3,736	3,485	3,504	3,427	3,597	3,596	3,159
Inspections	275	143	281	335	238	270	275	445	324	394
Parks and recreation	1,067	1,137	1,114	1,040	1,086	894	1,825	1,805	1,723	907
18 hole golf rounds played										
Zoo Admissions	125,000	111,098	116,300	122,255	119,848	115,715	130,882	127,063	144,647	133,410
Aquatic center usage	126,175	117,460	120,423	124,594	121,404	120,169	129,710	119,267	108,435	107,947
Total program participants	117,564	105,910	111,899	108,885	112,623	117,337	121,422	117,112	118,286	111,378
Library	26,951	26,951	24,228	24,026	23,429	30,739	39,377	36,812	40,522	51,234
Total items held for circulation	368,210	353,440	319,991	334,311	332,224	334,539	285,812	274,232	272,651	258,552
Annual circulation	1,364,033	1,206,359	1,308,021	1,239,813	1,187,745	1,126,172	1,097,030	944,340	811,053	778,235
Airport										
Enplanements	146,214	162,000	151,706	158,761	144,851	143,550	138,514	151,200	152,407	148,756
Average flights per day	10	11	11	12	12	11	10	13	14	13
Water and sewer										
Average daily consumption in gallons	24,704,110	24,126,027	24,476,712	25,852,459	23,123,288	22,425,000	23,178,000	24,526,000	25,784,000	24,100,000
Monthly residential water rate	\$ 25.20	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 15.00	\$ 13.00
Average daily sewage treatment in gallons	9,559,716	9,129,814	9,141,778	9,716,046	10,718,244	10,777,019	11,142,663	11,701,000	11,787,000	11,831,000
Monthly residential sewer rates	\$ 21.66	\$ 21.66	\$ 21.66	\$ 21.03	\$ 21.03	\$ 18.95	\$ 18.95	\$ 18.95	\$ 16.50	\$ 16.50
Sanitation										
Total cubic yards of Refuse collected	273,452	293,190	299,217	266,194	269,907	308,296	321,883	301,174	310,996	327,845
Monthly residential rate	\$ 9.45	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 7.50	\$ 5.50
Electric										
Average daily usage in kwh	1,828,161	1,898,630	1,901,835	1,886,463	1,906,637	1,904,978	1,912,749	1,943,896	1,898,308	1,865,943
Residential rate per kwh	\$ 0.063	\$ 0.063	\$ 0.063	\$ 0.060	\$ 0.057	\$ 0.054	\$ 0.054	\$ 0.054	\$ 0.055	\$ 0.058
Average Mwh generated per hour (1)	24.3	29.2	28.3	38.7	30.3	28.2	26.3	26.4	29.7	30.2

Source: Various City Departments

(1) The City has the capacity to generate up to 50 mwh if water flow is adequate.

City of Idaho Falls, Idaho

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite offices	1	1	1	1	1	1	1	1	1	1
Cars	106	106	106	109	109	110	111	108	107	102
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Fire Trucks	17	17	17	17	17	17	16	16	16	16
Street (Miles)	286	285	285	284	284	280	284	284	270	261
Parks and recreation										
Parks	42	42	52	52	52	52	52	52	52	52
Acreage	1,016	1,016	1,844	1,844	1,844	1,844	1,842	1,826	1,801	1,749
Baseball/softball diamonds	26	26	26	26	26	26	26	26	26	26
Soccer/football fields	23	23	29	29	29	29	29	25	21	16
Golf courses	3	3	3	3	3	3	3	3	3	3
Swimming pools	1	1	1	1	1	1	1	1	1	1
Library buildings	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	314	314	313	311	311	309	308	306	302	301
Fire hydrants	2,103	2,103	2,086	2,052	2,052	2,048	2,031	2,023	1,984	1,890
Wells	19	19	19	19	19	19	19	19	19	18
Sewer										
Sanitary sewer (miles)	268	268	266	266	266	276	273	266	257	246
Treatment capacity (gallons)	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
Sanitation Trucks	20	20	20	20	19	19	19	17	17	17
Electric										
Transmission lines (miles)	37	37	37	37	37	37	37	37	38	38
Distribution lines (miles)	410	410	410	410	410	414	414	408	401	360
Hydro generating plants	4	4	4	4	4	4	4	4	4	4
Street lights	4,590	4,590	4,584	4,519	4,527	4,523	4,383	4,027	3,782	4,220
Traffic signals	51	51	51	50	51	51	53	48	46	47

Source: Various City Departments

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SINGLE AUDIT SECTION

City of Idaho Falls, Idaho
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Cash Basis Revenues
U.S. Department of Housing and Urban Development Direct Programs:				
Community Development Block Grant	14.218	-	<u>\$ 348,580</u>	<u>\$ 348,580</u>
U.S. Department of Interior Pass-through State of Idaho Historic Preservation Fund Grant	15.904	P14AF00052	<u>\$ 5,200</u>	<u>\$ 5,200</u>
U.S. Department of Justice Direct Programs:				
Bulletproof Vest Partnership Program	16.607	-	<u>\$ 8,749</u>	<u>\$ 8,749</u>
U.S. Department of Transportation Direct Programs:				
* Airport Improvement Program	20.106	-	\$ 1,622,252	\$ 1,622,252
Pass-through Idaho Dept of Transportation: Highway Planning and Construction	20.205	A012(480) A012(481) A012(538) -	\$ 63,955 72,771 9,375 122,407	\$ 63,955 72,771 9,375 116,831
			<u>\$ 268,508</u>	<u>\$ 262,932</u>
State and Community Highway Safety	20.600	AL-2014-01-00-00 PT-2014-01-00-00 OP-2014-01-00-00 -	\$ 1,779 250 740 4,090	\$ 1,799 250 740 -
			<u>\$ 6,859</u>	<u>\$ 2,789</u>
National Priority Safety Program	20.616	M5HVE-2014-01-00 M2HVE-2015-01-00 M5HVE-2015-01-00 -	\$ 742 3,778 3,615 14,236	\$ 742 3,778 3,615 14,236
			<u>\$ 22,371</u>	<u>\$ 22,371</u>
Pass-through Idaho Military Division:				
Interagency Hazardous Material Training	20.703	HMHMP0445140100	<u>\$ 12,413</u>	<u>\$ 12,413</u>
Total Department of Transportation			<u>\$ 1,932,403</u>	<u>\$ 1,922,757</u>

City of Idaho Falls, Idaho
Schedule of Expenditures of Federal Awards (continued)
Year Ended September 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	Cash Basis Revenues
U.S. Department of Energy				
Direct Programs:				
Electric Delivery and Energy Reliability, Research, Development and Analysis	81.122	-	\$ 21,129	\$ 21,129
U.S. Department of Homeland Security				
Pass-through Idaho State Military Division				
Homeland Security Grant	97.067	EMW2014SS00084	\$ 32,969	\$ 32,969
		EMW2013SS00149	42,818	42,818
		-	1,449	-
			\$ 77,236	\$ 75,787
Total Federal Assistance			\$ 2,393,297	\$ 2,382,202

* Represents major programs.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Idaho Falls, Idaho as of September 30, 2015 and is presented in accordance with the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amount presented in, or used in, the preparation of the financial statements.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Members of the City Council
City of Idaho Falls, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Idaho Falls, Idaho, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Idaho Falls, Idaho's basic financial statements, and have issued our report thereon dated March 16, 2016. Our report includes a reference to other auditors who audited the financial statements of the City of Idaho Falls, Idaho's Electric Light Fund, as described in our report on the City of Idaho Falls, Idaho's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it relates to the results of other auditors, is based solely on the reports of other auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Idaho Falls, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Idaho Falls, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Idaho Falls, Idaho's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

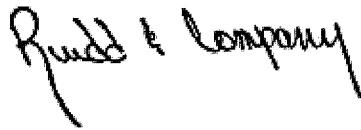
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Idaho Falls, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Idaho Falls, Idaho
March 16, 2016



RUDD & COMPANY PLLC

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Honorable Mayor and Members of the City Council
City of Idaho Falls, Idaho

Report on Compliance for Each Major Federal Program

We have audited the City of Idaho Falls, Idaho's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Idaho Falls, Idaho's major federal programs and with the compliance requirements described in the Passenger Facility Charge (PFC) Audit Guide for Public Agencies, issued by the Federal Aviation Administration for its Passenger Facility Charge program for the year ended September 30, 2015. The City of Idaho Falls, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Idaho Falls, Idaho's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Idaho Falls, Idaho's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Idaho Falls, Idaho's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Idaho Falls, Idaho complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its

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major federal programs and the Passenger Facility Charge program for the year ended September 30, 2015.

Report on Internal Control over Compliance

Management of the City of Idaho Falls, Idaho is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Idaho Falls, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or on the Passenger Facility Charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Idaho Falls, Idaho's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Idaho Falls, Idaho
March 16, 2016

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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED

Honorable Mayor and City Council
City of Idaho Falls, Idaho

We have audited the financial statements of the City of Idaho Falls, Idaho for the year ended September 30, 2015, and have issued our report thereon dated March 16, 2016. These financial statements are the responsibility of the City of Idaho Falls, Idaho's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Passenger Facility Charge Program Audit Compliance Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of the City of Idaho Falls, Idaho, taken as a whole. The accompanying Schedule of Passenger Facility Charges Collected and Expended for the year ended September 30, 2015, which is the responsibility of management of the City of Idaho Falls, Idaho, is presented for the purpose of additional analysis and as required by the Federal Aviation Administration of the U.S. Department of Transportation to implement Section 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990 and is not a required part of the financial statements. The information in the schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Idaho Falls, Idaho
March 16, 2016

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**City of Idaho Falls, Idaho
Idaho Falls, Idaho Municipal Airport
Schedule of Passenger Facility Charges Collected and Expended
Year Ended September 30, 2015**

	Passenger Facility Charges Collected	Passenger Facility Charges Expended
PFC Charges Collected and Expended for the Current Year	\$ 628,703	\$ 628,703
PFC Charges Collected and Expended in Prior Years	<u>9,577,866</u>	<u>9,577,866</u>
Total PFC Charges to Date	<u><u>\$ 10,206,569</u></u>	10,206,569
PFC Interest Earned to Date		35,561
Actual PFC Related Expenditures to Date		<u>(11,940,955)</u>
Ending Balance Unliquidated PFC Revenue Account (PFC Expended to Date, Plus Interest Less Actual Expenditures to Date		<u><u>\$ (1,698,825)</u></u>
Total Approved PFC Related Expenditures to Date		<u><u>\$ 12,918,437</u></u>

**City of Idaho Falls, Idaho
Schedule of Findings and Questioned Costs
Year Ended September 30, 2015**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type or auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

**City of Idaho Falls, Idaho
Schedule of Findings and Questioned Costs (continued)
Year Ended September 30, 2015**

Identification of major programs:

CFDA Number(s)

Name of Federal Program

20.106

Airport Improvement Program

Dollar threshold used to distinguish

between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

Yes

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None